

Speculator's spectacular



The silver hallmark seen through a jeweller's eyepiece. Before Mr Buffett went public, the disappearance of so much silver aroused fears of a price-fixing plot PHOTOGRAPH: MARTIN GOODMAN

The \$10bn man, on a silver buying spree, keeps horde in secretive London market

Dan Atkinson

WARREN Buffett — the \$10 billion man who has become an investment legend — has plunged into the speculators' graveyard of the silver market, buying a fifth of the world's supply.

The 57-year-old "sage of Omaha" has announced that he now controls nearly 130 million ounces, worth almost \$1 billion (£810 million) at current prices.

News that Mr Buffett's Berkshire Hathaway investment trust had piled into a market already reeling from allegations of price-rigging propelled the price to a 10-year high and revived memories of the attempt in the late 1970s by Texan speculators Bunker and Herbert Hunt to corner the world's silver.

Their \$1.3 billion buying spree ended in disaster in 1980 and they had to be bailed out by the US government. The new move sparked friction between the secretive London silver market and the more open New York Mercantile Exchange. Poland's KGHM company, Europe's largest silver producer, called on the London bullion market to publish figures for stockpiles of precious metals held in City vaults, to quell suspicions of market rigging.

All Mr Buffett's silver was bought through the London market and is stored there.

Already, both the Bank of England and the US Commodity Futures Trading Commission have been investigating the feverish silver market in the wake of a 10 per cent rise in the price during the three months to early January. US investment funds or wealthy Middle Eastern investors were prime suspects after suggestions of a plot to rig the price.

Metal was disappearing from the US market as demand seemed to outstrip supply. Now it emerges the silver was heading for London to meet Mr Buffett's order and, once there, it disappeared behind a veil of secrecy because London publishes no figures for the bullion in its vaults.

But the famously cautious Mr Buffett is unlikely to be planning to corner the market. One metal market broker said last night that Mr Buffett most likely believed silver had been undervalued.

Mr Buffett began to buy last summer, when silver languished at about \$4.50 an ounce. New film technologies — dispensing with the silver traditionally used — and sagging investment demand for gold had depressed the price.

Last night it had broken through \$7 for the first time



Warren Buffett: bought a fifth of the world's supply

Warren Buffett

□ Born Omaha, Nebraska, 1930, son of four-term congressman. Rejected by Harvard, studied science and economics to master level at Columbia.

□ Salary as chairman of Berkshire Hathaway in 1996: \$100,000 with \$248,000 perks — lowest-paid top-200 executive in US. But interest in Berkshire worth about \$10 billion.

□ Appeared to shift about \$2 billion out of shares into bonds last September, suggesting he believed stock markets were overpriced. Now emerges he had been buying silver since July.

□ Buyers of Berkshire's A shares 20 years ago have seen them rise in value from about \$100 to \$38,000.

□ Buffett is addicted to Cherry Coke, drinking five each day. Favourite foodstuffs include hot-dogs, hamburgers, popcorn and ice-cream.

□ When Buffett and wife Susan die, they will leave largest charitable foundation in the world.

since 1988 as speculators around the world piled in, keen to emulate the man many consider to be the greatest investor of the 20th Century. But more cautious voices warned that silver speculation had proved catastrophic in the past.

Jewellery buyers are likely to balk at paying inflated prices for silver jewellery, especially when gold is so cheap, according to one analyst, and industrial users will

find substitutes should silver become too expensive.

Rhona O'Connell, analyst with broker T. Hoare, said Mr Buffett had "spotted a window of opportunity and duly dived through it". But she warned that silver was unlikely to touch \$8 an ounce and very unlikely to return to the near-\$50 level reached in the heyday of the Hunt brothers.

Because three-quarters of the world's silver comes out of the ground for free, as a by-

product of mining gold, zinc, lead and copper, supply tends not to respond to demand. This, plus the tension between industrial demand and speculative trading, has helped make the metal an unstable investment.

The Hunts were ruined by their attempt to corner the market. The price rose steadily from about \$2 an ounce in the early 1970s as inflation took hold, and the Hunts — convinced it would go higher still — teamed up with members of the Saudi royal family to squeeze the market.

By October 1979 they owned several hundred million ounces. Between February and March 1980 they borrowed \$1.3 billion to buy more, and drove the price to \$49 an ounce.

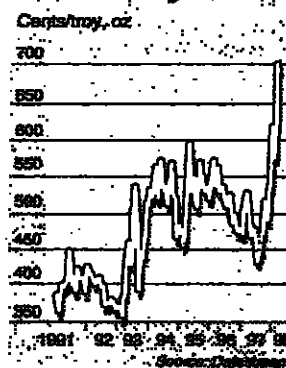
But the US authorities moved to calm the market, forcing speculators to put up more money for each contract. The Hunts had used their silver, by then falling in price, as security for their loans. As they tried to sell it to meet their repayments, the price collapsed. Washington, fearing a string of bank failures if the Hunts defaulted, lent them \$1 billion to wind down their stockpile in an orderly manner.



Bunker Hunt: ruined by bid to corner silver market

Speculators Herbert and Bunker Hunt attempted to corner the world's silver in the late 1970s. Their \$1.3 billion buying spree ended in disaster and they had to be bailed out by the US government

Soaraway silver



'Mr Buffett has spotted a window of opportunity and duly dived through it'

Rhona O'Connell, analyst

Cook enrages Straw, Short

Ewen MacAskill and Ian Black

THE biggest political dogfight since Tony Blair became Prime Minister broke out yesterday between Cabinet ministers Robin Cook, Jack Straw and Clare Short over the fate of Britain's 13 remaining colonies.

Mr Cook, the Foreign Secretary, infuriated both Mr Straw, the Home Secretary, and Ms Short, International Development Secretary, by unilaterally announcing new arrangements for the dependencies.

Ms Short is said to have gone "ballistic". Angry phone calls were being exchanged between departments last night. Mr Blair will now have to adjudicate, either from Washington or on his return, between the warring ministers.

Mr Cook flew to the Middle East last night. But Mr Straw and Ms Short, an unlikely alliance of right and left, will join forces in a pincer movement to force him to back down.

A Whitehall source said the Foreign Secretary had behaved arrogantly, and would be made to pay for it. The row centres on a speech Mr Cook delivered in London yesterday to the chief ministers of the remaining dependencies. He hinted strongly at full British passports being given to 160,000 people in the colonies and confirmed a new department will be created, the United Kingdom Overseas Territories ministry, headed by the Foreign Office Minister, Baroness Symons.

Mr Cook wants to grant citizenship to all territories — the largely white population of Gibraltar and the Falklands already have it — so as not to discriminate against black Caribbeanans.

A draft of Mr Cook's speech was sent to Ms Short and Mr Straw on Friday and both immediately lodged objections. Ms Short protested that the

dependencies came under her department and Mr Cook could not just annex them without taking notice of her.

Mr Straw protested that Mr Cook's passport promise threatened to reopen the thorny question of British citizenship.

To their astonishment, Mr Cook ignored their suggestions. Downing Street told the three "to sort it out among yourselves". But Mr Blair will eventually have to resolve the dilemma. The Whitehall source predicted Mr Cook would eventually have to back down.

The outcome will become apparent when a white paper on the dependencies is published later this year.

The review of the dependencies was initiated after the Montserrat volcano fiasco. Ms Short was accused of mishandling the situation after complaining of the islanders' repeated calls for aid. Baroness Symons was sent to Montserrat in her place.

Removal of the dependencies from her department would have been interpreted as a snub to Ms Short.

A Commons select committee two months ago identified as a problem that both the Foreign Office and the International Development Department had responsibilities for the 13 dependencies, and recommended bringing them under a single department.

In the speech, Mr Cook said he was conscious of the "sense of injustice" felt by some of their 160,000 people who do not have the right to live and work in the UK.

Interest in the territories — all too small or remote to go independent — has mounted since the return of Hong Kong to China last June. The inhabited ones are Anguilla, Bermuda, the Cayman Islands, the Pitcairn Islands, the British Virgin Islands, Montserrat, St Helena, the Falklands, Gibraltar, and the Turks and Caicos Islands.

Pitcairn 'no fun', page 7
Leader comment, page 8

Whatever you do, they'll be watching...

GERALD SEYMOUR

Killing Ground

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DAILY MAIL



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GERALD SEYMOUR

The Waiting Time

Alchemy is back in fashion, but this time the aim is to turn coal into priceless diamond fibres. Competition in the US is already hotting up, and this week a private research centre in Europe is preparing to enter the race. Michael Brooks reports

G2, OnLine page 12

Culture Secretary Chris Smith had to tread a tricky path in easing out lottery regulator Peter Davis. **Kamal Ahmed** retraces his steps

Gymnastics that led lottery chief to jump

CHRIS Smith's words on Radio 4's Today programme yesterday morning were chosen carefully. "No, the answer to the basic question is that Mr Davis decided in the interests of the National Lottery to resign."

Ever since Guy Snowden lost the High Court libel duel with Richard Branson over claims that he tried to bribe Mr Branson to pull out of the race to run the lottery, the Secretary of State for Culture, Media and Sport has been walking a semantic tightrope. Yesterday Mr Smith was forced through some more verbal hoops as he was asked to explain the chain of events which led to the resignation of Peter Davis, the director general of the lottery regulator, Oflot.

As Mr Davis maintained a stony silence, Mr Smith was asked about government briefings late on Tuesday night that made it clear that Mr Davis had lost the confidence of the Prime Minister. In a statement to the Commons, Mr Smith denied that

Tony Blair had ordered that Mr Davis should go.

Pressed on who had raised the issue of his resignation first, Mr Smith replied: "The matter was discussed mutually between us."

Francis Maude, the shadow culture secretary, was not impressed. "Mr Davis was persuaded to resign and, to convey the impression of decisive action, the press was briefed that he had been dismissed," he said.

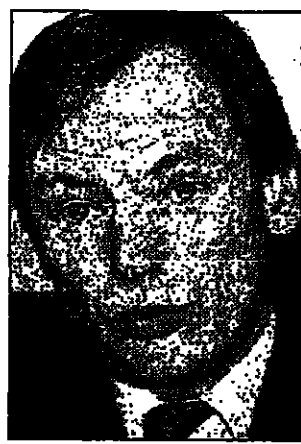
The explanation of Mr Davis's "change of heart" over his resignation lies in how the Government decided to handle the lottery crisis which was threatening to overwhelm "good news" stories such as the reprieve of St Bartholomew's hospital in London.

At 9am on Tuesday, Mr Davis was the main item of discussion at the strategy meeting at which government advisers and officials met to discuss the agenda for the day.

Peter Mandelson, the Minister without Portfolio, Alastair Campbell, the Prime Minister's press secretary, Tim



Chris Smith... demanded assurances from Mr Davis



Francis Maude... 'Mr Davis was persuaded to resign'

Allen, the Downing Street adviser, and Dave Hill, the Labour Party's chief media spokesman, were present.

Talk turned to how the Davis story was playing. "It was playing very hard," said one of those present — meaning that the newspapers were taking a very negative line and calling for Mr Davis to quit.

Mr Smith's office remained silent at first — as it had when the row first broke in May over huge bonuses paid to directors of the lottery operator, Camelot — sticking to the previous day's line that Mr Smith thought the situation "very serious".

But during the morning, the Government decided it had to act.

It was announced that Mr Davis was being summoned to Mr Smith's office to explain exactly how public confidence could be restored in the lottery. The Government's position was hardening.

At the 11am lobby briefing between Mr Campbell and political correspondents, more ground was prepared.

Asked if Mr Blair had full confidence in Mr Davis, Mr Campbell replied: "He has absolute confidence in Chris Smith's ability to see Mr Davis this afternoon."

And will Mr Davis's contract be renewed in October? "Theoretically," came the response, with a scintilla of sarcasm.

Just before Mr Davis arrived, Mr Smith and Mr Blair, who had been in close contact all day, had a meeting at which it was agreed that Mr Davis's boat was virtually sunk.

Mr Smith was left to make a decision on how best to decide Mr Davis's future.

One thought was uppermost. With no evidence of any impropriety on his part, Mr Davis must not be "sacked"

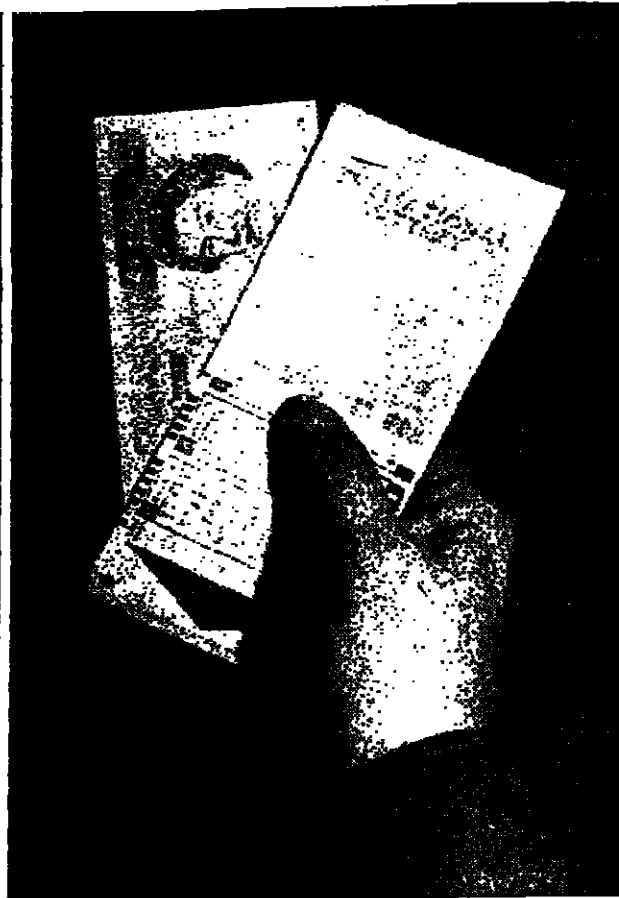
or the Government could be left with a Derek Lewis situation on its hands.

Mr Lewis, the former head of the prison service who left under pressure from the then Home Secretary, Michael Howard, after the Parkhurst breakout, took legal action against the Government and won £215,000 compensation.

Behind the doors of Mr Smith's office in Cockspur Street, near Trafalgar Square, Mr Davis quickly realised his time was up. As Mr Smith asked for more and more assurances about how public confidence in the lottery could be maintained, the director general said he would resign.

It took about 90 minutes, the rest of the time taken up with contractual agreements over a £42,000 pay-off and the form of words Mr Smith's statement would take.

It became clear in Westminster that something was afoot when Mr Smith's department said there would be an announcement at 7.30pm. Mr Davis was out and Mr Blair could travel to America with one less thing to worry about.



The resignations have failed to dampen demand for lottery tickets — up 2 per cent on last week. PHOTOGRAPH: FRANK MARTIN

Punters' cash on hope not charity

LOTTERY punters were putting their money on faith and hope rather than charity as they queued for tickets yesterday, writes Lucy Foston.

"I buy a ticket every Wednesday, whether or not Branson thinks enough's going to charity," said an elderly customer in the Kings Road, west London.

And no, he's never won. "Doesn't stop you trying though, does it?"

The events surrounding two high-profile lottery resignations this week did not seem to have had much effect on people queuing at the machines.

Andre, a young accountant buying a ticket during his lunch break, said: "I don't really care about the trial. I still buy my ticket. I think Branson did it for the publicity, for his ego."

But Joan Richardson, a clerk buying tickets in Farringdon, was putting her money on the victorious Branson. "I would prefer it

if Richard Branson was running it, rather than Camelot, but I've always thought that," she said.

"I would prefer more of the cash to go to more charities, but I would still buy tickets." Of the latest controversy, she said: "I don't think it's made me have any less confidence in the lottery."

Customer indifference seemed to be borne out at the tills, with a Camelot spokeswoman saying yesterday that ticket sales were up 2 per cent on last week.

Geoff Chessum, a magazine editor, said he did not think the events of this week had influenced him, but added: "I think if things had turned out differently after the trial, it would have had a temporary effect on my buying a lottery ticket, because you don't want to think the people running it are saying one thing and then there is all this graft behind the scenes."

Sad collector forced to sell 75m-year-old nest egg

Martin Wainwright

APENSIONER'S treasured dinosaur egg is to be auctioned later this month to meet debts forced on him by winter gale damage.

The 75 million-year-old fossilised sauropod egg — the pride of a lifetime's collection for 68-year-old David McCarthy — will be sold to pay bills for a new garden fence.

"I am very sad to have to part with it," said Mr McCarthy, whose home in Bridgnorth, Shropshire, is something of a shrine to the lure of random collecting. A fibre glass dinosaur from the film Jurassic Park, won in a competition, is in the front garden, and he has "a bit of this, that and everything" inside.

The homespun museum — started 40 years ago when Mr McCarthy spent £d on "an interesting pebble" which proved to be an early Greek statuette — was hit by savage gusts last month.

He and his wife Patricia put



David McCarthy with his fossilised sauropod egg

repairs to their fence in hand, but found they were not all covered by their insurance. Mr McCarthy said: "Now we're in debt, and the egg is the best way to meet the bills."

"I'm always on the lookout for anything that takes my fancy. If it fetches a fair amount I will see if I can get another, but I need the money."

Found in Mongolia around 100 years ago, the fossil will be auctioned on February 20 at Hall's in Shrewsbury, for whom a spokesman said: "We've had a lot of interest."

It is expected to fetch £500.

Farm worker gets £80,000 for illness from sheep dip

Peter Hetherington

FARM workers complaining of illness after being exposed to toxic sheep dip are likely to flood employers with compensation claims after a legal victory by a shepherd from County Durham.

He received £80,000 in an out-of-court settlement with Lancashire county council, which ran an agricultural college where he worked between 1975 and 1991.

Robert Shepherd, 62, a father of four, says his health was damaged after he was exposed to organophosphates. Last night, as he called for the chemicals — similar to those blamed by forces' veter-

ans for Gulf war syndrome — to be taken off the market, the union which championed his case said it had begun investigating other claims.

Bronwyn McKenna, head of legal affairs for Unison, added that the wider implications were alarming. "Mr Shepherd's health was seriously damaged after only dipping sheep twice a year but the risk is much greater with some of our other members — inspectors working for local councils — who are coming into contact with the dip all the time."

Gulf war veterans welcomed the settlement, which will strengthen their campaign for a full investigation into organophosphates.

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JP 11/02/98



Henrietta Moraes beside one of Francis Bacon's paintings of her (left), in an exhibition at the Hayward Gallery in London, which is also staging a show of Cartier-Bresson photographs (right). Both events run until April 5



PHOTOGRAPHS: DAVID SELLITOE

Bacon's nude model relives shock of the new as photos link two shows

Don Glaister
Arts Correspondent

HENRIETTA Moraes walked towards the large colourful canvas hanging in the Hayward Gallery. "Look, in that one I haven't got a head," said the model for 16 of Francis Bacon's paintings, with

three in the gallery's Francis Bacon: The Human Body, exhibition opening today. Now 66, Moraes never formally sat for Bacon, who died in 1992. "They were all done from photos," she said. The exhibition catalogue shows a photograph of a young, slightly louché Bacon in his studio in 1952. Taken by Henri Cartier-

Bresson, it provides a link between the two contemporaries featured at the Hayward, as work by Cartier-Bresson is also on show, in Soho when she was 18. "I thought he was about the most exciting person I'd ever seen. I never asked him what he was going to do. All he said was 'darling, I'm going to paint a few of my friends'."

most had a heart attack when he saw his portrait." Moraes and Bacon became friends after they met in Soho when she was 18. "I thought he was about the most exciting person I'd ever seen. I never asked him what he was going to do. All he said was 'darling, I'm going to paint a few of my friends'."

about modelling nude, although my mother wasn't very pleased. But you could earn twice as much as when you kept your clothes on." Of the three portraits of her in the exhibition, from 1963-68, she said: "I think they're very like me... but I certainly wasn't doing what's in the picture." she said, glancing at Henrietta

Moraes (Lying Figure With Hypodermic Syringe). "I'd never even seen a hypodermic."

nail through the arm which would be even more melodramatic." Europeans feature work by Cartier-Bresson covering half a century, and includes his most recent picture, taken last month in Switzerland. It shows the 89-year-old is still producing work of the same quality as 60 years ago.

Thousands of NHS patients being detained illegally

Clare Dyer
Legal Correspondent

TENS of thousands of patients are being detained illegally in hospitals and nursing homes as a result of a court ruling causing consternation to the NHS and the Department of Health. The full implications of the Court of Appeal ruling before Christmas are only now becoming clear to NHS trusts. It means many thousands of patients with conditions such as Alzheimer's disease and severe learning disabilities which make them unable to

give a valid consent are being unlawfully detained by trusts and by nursing homes registered to take detained patients. Before the appeal court ruling, such patients were admitted informally if they did not dissent, but the judgment means trusts have no power to do this and will have to "section" all existing patients under the Mental Health Act to ensure that they have power to detain and treat them.

Guidance from the Department of Health sent to all trusts and health authorities confirms: "The ruling applies both to new admissions and to patients already in hospital. Steps should be taken to review the position of existing in-patients as soon as possible." Most trusts have taken no action so far to section existing patients. Many hope to await the outcome of an appeal to the House of Lords, funded by the department, though unsectioned patients will continue to be held unlawfully until the Lords deliver judgment, which might not be before the summer.

The department and the trust are asking for the appeal to be expedited. The department is worried about the resource implications of a huge increase in the number of formally detained patients. Those detained under the act must have their cases regularly referred to mental health review tribunals to see if their detention is still justified. The implications are also causing concern to the Mental Health Act Commission, a low-budget body which monitors the welfare of patients detained under the act. It makes regular visits to institutions and pays independent doctors to visit wards, look at case notes and approve treatment plans. The appeal court judgment was handed down in a case

brought on behalf of an unnamed autistic man, aged 48, who was taken to Bournemouth hospital in Chertsey, Surrey, after he became agitated at a day care centre. He had lived in the hospital for 30 years until 1994 when a couple took him into their home to care for him as one of the family. He had not been sectioned

under the Mental Health Act but had been admitted to hospital informally. His carers wanted him released, but doctors insisted on keeping him in. The couple sought a judicial review of that decision. They also sued for damages for false imprisonment and asked for a writ of habeas corpus. They lost in the High

Court but three appeal court judges, headed by the Master of the Rolls, Lord Woolf, upheld their claim. Health service managers and doctors had always understood that mentally incapable patients could be admitted informally, a practice sanctioned by the leading textbooks on mental health law. But the judges said informal admission applied only to patients who had the capacity to consent or refuse.

Chris Vollenweeth, community care leader for the NHS Confederation, the umbrella group for NHS trusts, said he was advising trusts to section any new patients, but was taking a cautious view on existing patients because issues were still being unravelled.

Murdoch faces tax investigation

Four nation team plans strategy to close avoidance loopholes

David Hencke
Westminster Correspondent

RUPERT Murdoch's News Corporation is under examination by an international team of tax investigators as part of a Treasury drive to clamp down on multinational companies using international loopholes to avoid paying tax. The Inland Revenue yesterday declined to confirm or deny whether tax officials from Britain, Australia, Canada and the United States had met secretly in Sydney to

draw up a joint strategy to deal with the media magnate's tax payments. As a matter of policy, the Inland Revenue does not disclose when an individual or company is under investigation. But officials confirmed that growing numbers of comprehensive tax agreements are being signed with other countries to enable the Revenue to exchange information on the tax affairs of international businesses. All three of the other countries involved in Mr Murdoch's tax affairs are party to agreements with Britain.

The Treasury is keen, as part of its pre-Budget initiatives, to tackle the growing number of legal offshore tax arrangements, and to close loopholes. After the furore over Treasury Minister Geoffrey Robinson's offshore tax investments, Gordon Brown wants to be seen to be tackling the problem in the Budget on March 17. As a result, comprehensive new tax agreements are in the pipeline for countries such as Oman, the United Arab Emirates, Ecuador, Kuwait, Namibia and Lesotho — although no attempt has been made to tackle tax havens such as the Cayman Islands or the Virgin Islands. The disclosure, in yesterday's Independent news-

paper, comes as the Government refused to back an amendment to the Competition Bill in the House of Lords that would stop Mr Murdoch using his grip on the marketplace by selling editions of the Times at a loss to stifle competition. Lord Simon of Highbury, the competition minister at the DTT, has ordered Labour peers to vote against the amendment, but ministers deny the move has anything to do with instructions from Downing Street not to upset Mr Murdoch. They say this is an unfair interpretation of the Government's position on competition in the newspaper industry. Analysis, page 11

Violence mars Sri Lanka's anniversary celebrations



Troops guard against Tamil attack

Luke Harding in Colombo

THE Prince of Wales yesterday watched a display of military prowess as Sri Lanka celebrated 50 years of post-colonial independence and its president admitted that the country had "failed in the essential task of nation building". As President Chandrika Kumaratunga addressed an audience of foreign guests, headed by Prince Charles, Tamil rebels were shelling an air force base in eastern Sri Lanka, injuring 15 soldiers.

The attack came four days after 300 Tamil guerrillas were killed in a gun battle in the north of the island. Security for yesterday's parade at the new parliament building in Colombo was intense. The entire centre of the capital was sealed off, with heavily armed troops manning roadblocks. President Kumaratunga, seated next to Prince Charles, spoke of "this momentous day" 50 years after Ceylon was granted independence by Britain in February 1948. But she added: "We must with humility examine our failures. We have failed in the essential task of nation building. We have meandered and faltered along the path, whilst our neighbours in Asia and many other countries have forged strong and united nations in which peoples of various communities of race, religion and language live in harmony." Mrs Kumaratunga called for an end to "ethnic strife" but stressed that the "territorial integrity" of Sri Lanka must be defended. Mrs Kumaratunga will be host at a state banquet for Prince Charles later today. The prince then flies to Nepal and Bhutan, for the Himalayan leg of his 10-day tour.

News in brief

Warranties 'dearer'

IT IS generally cheaper to pay for repairs when domestic appliances break down than to take out extended warranties, a survey by the Consumers' Association magazine, Which?, claims today. The survey, of more than 35,000 domestic appliances, found that they were becoming more reliable, and that the cost of extended warranties often exceeded repair costs. The editor of Which?, Andrew McIlwraith, said: "Extended warranties can give you peace of mind if you are concerned about unexpected repair bills. But our research suggests that you are likely to pay well over the odds for this peace of mind."

Cunningham chills farmers

AGRICULTURE Secretary Jack Cunningham yesterday rejected farmers' demands for further aid and told them to stop blockading ports to keep out meat imports. There

would be no blank cheque to bolster "colossal" subsidies while blockades were harming talks in Europe. He told the National Farmers' Union annual meeting in London they would have to help restructure their industry as the Common Agriculture Policy was reformed. Outgoing NFU president Sir David Naish said the speech had been "chilling. I cannot believe a minister could disregard our legitimate request for equality with such lack of interest or concern."

New man at Arts Council

THE Arts Council of England yesterday announced the appointment of its new secretary general, Peter Hewitt, in the latest round of musical chairs in the arts world. Mr Hewitt, a former chief executive of the Northern Arts Board, takes up his post in early March, in a climate of financial cuts for the arts. At present he is corporate affairs director of Tees health authority — a post he took up last year after being at the helm of Northern Arts since

1992. The chairman of the council, Lord Gowrie, backed the appointment. He said: "He has been among the most effective of the chief executives of the regional arts boards with whom I have worked during my chairmanship. I owe him a lot of personal and professional debt — a highly effective and strategically-minded secretary general." Mr Hewitt replaces Mary Allen, now chief executive of the Royal Opera House. In December, she was criticised by the Commons culture media and sport committee for her conduct in her new role at the cash-strapped Opera House. The new secretary general entered the arts world when he joined Northern Arts as a general arts officer in 1982. Later he became assistant to the director, and deputy chief executive.

'Swampy' on drugs charge

THE environmental campaigner formerly known as Swampy has been ordered to appear before magistrates in Cornwall next month after

being charged with possession of a class A drug. Daniel Hooper, famed for his underground protests, was arrested in Penzance on Tuesday after police received complaints that two men were begging in the road. He was bailed to appear before Penwith magistrates on March 30 after officers allegedly discovered him in possession of magic mushrooms.

BA case to go ahead

A FORMER policeman was yesterday given the chance to take British Airways to court over a claim that he cut his lip on a broken glass during a fight in New York. Lord Bingham, the Lord Chief Justice, allowed the appeal by John Gorman, 51, against a London county court judge's refusal to allow him a rehearing of the case after he failed to turn up because he was in hospital. David Price, for Mr Gorman, said that the county court judge "was not entitled" to find that his client had deliberately made the choice not to attend.

Prince Charles feels the heat at yesterday's parade in the Sri Lankan capital, Colombo, held amid fears of Tamil violence to celebrate the country's 50 years of independence

Cheery day for troubled knight

FOR Sir Arthur C Clarke it should have been a short stroll to glory yesterday, from his flat in central Colombo to the British High Commissioner's residence five minutes away. Once there, the grand old man of science fiction would have trundled up to the doorway in his wheelchair. After a few minutes of polite conversation, Prince Charles was to have appeared him on both shoulders with a ceremonial sword. The sword had trav-

elled all the way from London to Sri Lanka in the prince's diplomatic luggage. There probably would have been a grin and a handshake: a strangely archaic ceremony then, to honour an 80-year-old man whose memories of Britain must have faded after four decades in the equatorial heat. Instead, Sir Arthur spent yesterday sitting through dozens of sympathetic e-mails and faxes from across the world, and consulted his lawyers. Meanwhile, the Sunday Mirror journalists who accused him five days ago of being a pedophile were camped less than a mile away at the Oberoi hotel, awaiting developments. Earlier this week he denied allegations that he had paid for sex with underage boys. In a statement, he declared himself "outraged" and explained that his post-polio condition meant he had not been sexually active "for over 30 years". Despite the media onslaught, though, he is in a cheerful mood. One of his aides said yesterday: "He is bearing up. His lawyers have advised him not to speak to anybody at the moment. The position might change at the end of the week."

'US jet broke all the rules'

John Hooper in Rome

TALY'S leaders hastened yesterday to head off calls for the closure of United States bases after Tuesday's incident in which an American jet cut through the wires holding up a cable car in the Dolomites, killing 20 people.

The prime minister, Romano Prodi, and his defence minister anticipated official investigations by blaming the accident on an allegedly reckless air crew. In an extraordinary statement, Mr Prodi said: "It wasn't a low-level flight, but a terrible act, an almost ground-scraping flight [that went] beyond all limits set by the law and the rules."

There were claims, however, that very low-level flights are not unusual. And there was evidence that the pilot may have experienced difficulties before his Grumman F-16 clipped the cables.

The Carabinieri said last night that the victims included three Italians, including one of Austrian origin, a Polish woman and her 12-year-old son, eight Germans, five Belgians, an Austrian, and a Dutch woman.

Italian newspapers joined

politicians in expressing fury at the crash. La Stampa inveighed against the "Rambos [who] use our mountains".

On a visit to the scene, the defence minister, Beniamino Andreatta, said: "It is terrible to count and contemplate the body bags and think all this happened because the rules were not respected."

Mr Prodi, who also visited the resort, said regulations in force since 1955 limited foreign aircraft to a minimum height of 2,000ft. He added: "The US government has assumed full responsibility for the incident."

President Bill Clinton voiced regrets by telephone yesterday to the German chancellor, Helmut Kohl, and to the victims' relatives, a German government spokesman said.

The F-16 warplane is thought to have hit the wires at a point some 450ft from the valley floor. Pilots were quoted yesterday as saying that flights down to that level were a necessary part of training.

The F-16, which has sophisticated electronic equipment to block enemy radar and weapons systems, is used in low-level raids.

The Italian news agency ANSA reported that this particular mission, ironically

code-named Easy 01, stipulated an altitude of 3,500ft. It said that since last year flights down to 2,000ft had required case by case authorisation, which mission Easy 01 did not have.

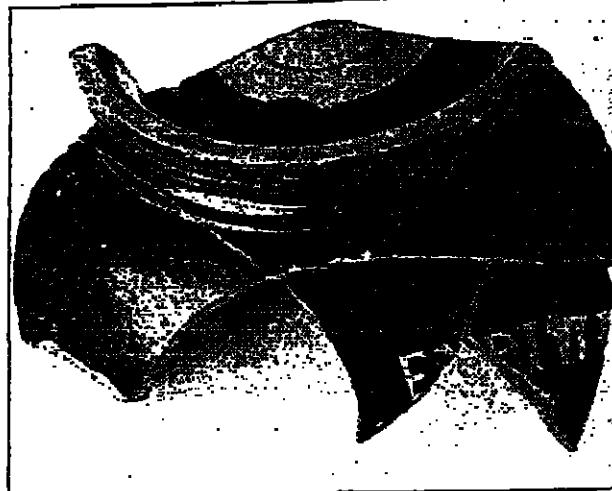
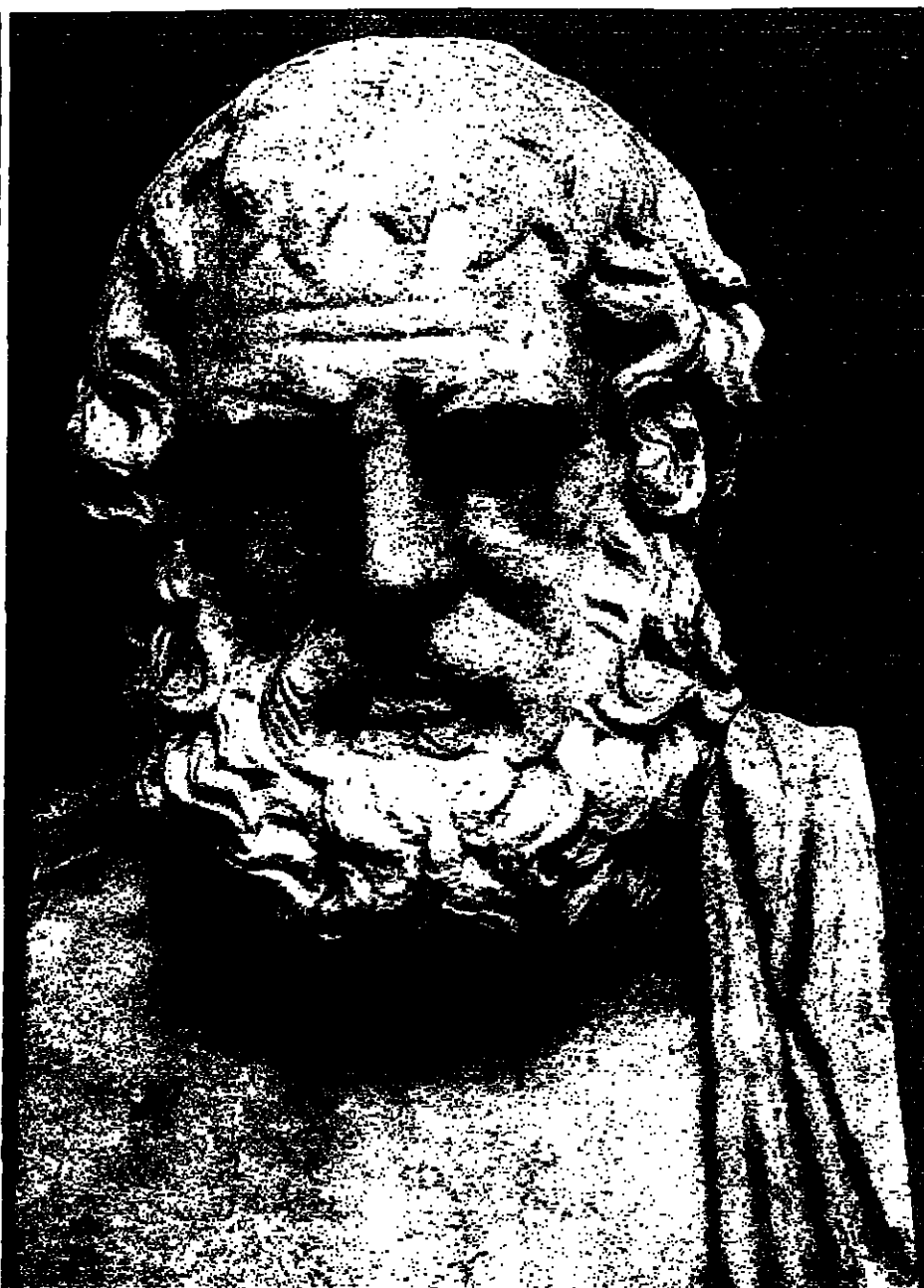
According to Italian seismographers who recorded the impact, the plane hit the cable system at 3.12pm local time. ANSA said radio contact with the plane had been lost seven minutes earlier.

An eyewitness, Giordano Cavallano, told Italian television: "The plane made a manoeuvre to the left. It seems to me that the pilot was certainly having some difficulties because I'd never seen anything like it before."

The victims' bodies were taken to Trento yesterday in a long line of hearses flanked by Carabinieri outriders. At least three inquiries are to be conducted into the deaths.

An Italian prosecutor, who yesterday visited the F-16 crew's base at Aviano, will look at possible criminal responsibility. The US and Italy will both carry out military investigations.

The plane had flown missions for the multi-national Deny Flight operation in Bosnia, but a Nato spokesman said it was on a "routine flight under US command" at the time of the accident.



The sour demeanour of Euripides, left, has been blamed on the long spells he spent in an isolated cave seeking inspiration. The discovery of a fragmented clay cup bearing the first six letters of his name, above, has convinced Greek archaeologists that they have found his fabled retreat. **Helena Smith** in Salamis reports

Screw turned on Bosnia to get refugees home

Ian Traynor in Bonn

THE international effort to force nationalist leaders in Bosnia to reverse the results of ethnic cleansing was stepped up yesterday when Germany pressed the Serb-held half of Bosnia to open its doors to tens of thousands of Muslim refugees expelled from their native areas in the 1992-95 war.

Bonn's pressure on Milorad Dodik, the new moderate prime minister of Bosnia's Serbian Republic, is part of a concerted Western campaign to effect the large-scale repatriation of refugees this year. A parallel ultimatum was given to the Bosnian Muslim leadership on Tuesday to open Sarajevo to Serbs and Croats who left the city during the war and forfeited their property rights.

United States and European Union officials in Bosnia, equipped with new powers to issue ultimatums, set deadlines and impose decrees against the will of recalcitrant Bosnian politicians, have elaborated a promising carrot-and-stick strategy for reintegrating the country. The repatriation policy is central to that effort.

Yesterday the international community's High Represent-

tative in Bosnia, Carlos Westendorp, made further use of the powers given to him in December by overruling the quarrelsome parties and deciding the design of the new national flag.

Over the past couple of months he has overruled the Muslim, Croat and Serb leaders on the new currency and forced an agreement on common car licence plates.

The plan is to lean on Sarajevo's leaders to restore its ethnic balance and harmony

On Tuesday Bosnia's president, Alija Izetbegovic, was given two weeks to revoke 1995 legislation stripping departed Serbs and Croats of their property rights in Sarajevo. US and EU officials have insisted that 20,000 Serbs and Croats should be resettled in the capital by the summer.

Pursuing a separate prong of the same strategy, the German foreign minister, Klaus Kinkel, told Mr Dodik yesterday that many of the 250,000 Bosnian refugees in Germany

must be allowed to return to towns and villages in the Serb half of the country. Most of them are Muslims.

A third of the Bosnian population — 1.5 million — fled the war and about 400,000 have returned in the past two years, including 100,000 from Germany. But only 35,000 have moved into areas where they form an ethnic minority.

The lack of movement has entrenched the ethnic partition. The plan is to make Sarajevo a showcase by leaning on the Muslim authorities to restore its earlier ethnic balance and harmony and then increasing the pressure for similar action by the hardline Serb and Croat nationalists.

"If you do not accomplish this task," the senior US official, Robert Gelbard, told the Sarajevo government, "we will fund no new municipal infrastructure projects."

Mr Dodik, for the first time since the end of the war, voiced a readiness to allow Muslim refugees to return to Serb-held areas. Germany and the EU are prepared to reward such efforts with substantial economic aid.

Mr Izetbegovic promised that Serbs and Croats were welcome in Sarajevo, but said parallel action was needed in the new Bosnian Serb capital Banja Luka.

Sprechen Sie German? Not on one of our Handies

Ian Traynor in Bonn on a growing band of linguistic purists who are battling to banish anglicisms from everyday use

WHEN it comes to playing computer games, Germans do not reach for their *Rollerball-entertainer* (rollerball-entertainer device). The word is an "alphabetical procession", to cite Mark Twain on the wonders of the German language, is better known as a mouse.

German has sensibly appropriated the English term, banishing its own compound.

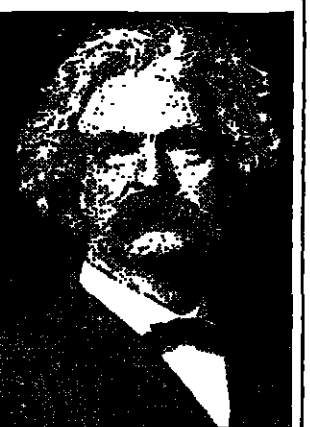
When it comes to the mobile phone, however, a more extreme case of language theft has been perpetrated — a step too far for the growing band of linguistic purists campaigning to keep German German.

The German word for the mobile phone is an English word which does not mean mobile phone — "Handy".

"We've developed this Anglicism ourselves," said Karin Fraas-Cyren, manager of the prestigious Society for the German Language in Wiesbaden.

"But many members are writing and calling to complain about the flood of Americanisms and Anglicisms. They are asking whether we can't use German words instead."

Spearheading the increasing clamour against the "rape of German by English", and against "Denglisch", the German equivalent of Franglais, is Professor Walter Kraemer of Dortmund University.



Mark Twain: 'German ought to be gently and reverently set aside among the dead languages, for only the dead have time to learn it'

Two months ago the statistics professor and six colleagues founded the Club for the Preservation of the German Language. It has 400 members and attracts 100 more a week, he says.

The Wiesbaden society has set up a commission to consider how to combat the tide of anglicisms washing over German. It will report its findings in May.

"This is all about the colonisation of German by English," says Prof Kraemer. "The problem is

getting much worse. Most Germans lack national pride and that really gets on my nerves."

A Deutsche Telekom phone bill, for instance, lists the number of "city calls" made. Similarly, if seeking information at the railway station, you go to the "service point".

Hollywood, transnational industry, advertising, the Internet, pop music — the cultural English onslaught is unremitting. Another German language activist, the writer and educationalist Horst Hensel, says German children are "growing up today believing that songs are something essentially English".

Public enemy No 1 for purists is Jil Sander, diva of the German fashion scene and darling of the international smart set.

In a recent press interview, she peppered her German with so many English expressions that the end result was far less elegant than her clothes. Eight sentences, uncharacteristically brief by German standards, contained 18 English words. "This sort of stuff really makes me mad," says Prof Kraemer.

"There's no country in Europe where the linguistic subservience is as marked as in Germany. You need to honour and respect languages instead of cobbling two together and making an indigestible mish-mash."

"The German language is crumbling, becoming a form of pidgin English that Goethe and Schiller would not be able to understand. The blame lies in German's widespread capitulation to English."

Helena Smith in Salamis

EVEN by the standards of the ancients, Euripides was a very small man. One discovers this crawling into the cramped cave where the great Greek poet is believed to have penned, between frequent bouts of sleep and meditation, at least one of his 92 plays, 2,500 years ago.

The identification of the famous den, in a rocky bluff near the southernmost tip of Salamis, has quickly topped the annals of extraordinary archaeological finds.

"This is one more piece in the history of the classical period that's been unearthed. The evidence is very, very strong... its significance is immense," said

Bill Phelps, a member of the British School in Athens.

The isolated island highway is now being billed as the world's first classical Greek workshop.

It could, experts enthuse, say more about the inspiration and working techniques of the dramatist, whose plays include *Electra*, *Bacchae*, *The Medea*, and *Hippolytus*. Crowned, than anything else so far.

"This is the first time that a strictly private space has ever been associated with one of the great figures of classical antiquity," said Professor Yannis Lolos, who headed the team that excavated the site.

The cave, which is reached by an ancient path strewn with Roman sherds, was previously the exclusive preserve of shepherds and hunters — bar a short

period during the German occupation when locals used it as a refuge.

Today it has become a focal point for would-be antiquities smugglers and youths who spray or carve their names into its limestone walls.

Prof Lolos, who trained in London, went public only after a four-year excavation of the site. His team of 20 sifted through more than 120 tonnes of earth removed from the cave's elaborate maze of stalagmite-filled corridors and chambers.

The discovery of a fragmented 5th Century BC black-glazed clay cup bearing the first six letters of Euripides' name convinced the team that the grotto was the poet's fabled retreat.

"From the 2nd-century

Roman writer Aulus Gellius we know that both locals and foreigners often visited Euripides' cave on Salamis... it was a kind of tourist attraction and a place of hero-worship," Prof Lolos said.

"The cup's inscription is most certainly Roman. We found it alongside hundreds of other Roman votive offerings in the course of discovering relics that date back to neolithic times."

Ancient Greek writers also refer to the "secret retreat". Satyrus, a Greek who lived in Egypt during the 3rd century BC, said Euripides not only regularly retired to the hideaway but "owned" it.

Euripides is said to have been born on Salamis on the day of the great sea-battle in 480 BC. His prosperous Athenian father

owned a vast estate on the island. The long spells of self-imposed isolation in the cave, which may have been on the family property, have been blamed for his sour demeanour.

"Euripides was gloomy, thoughtful and stern," Gellius wrote. "He was a hater of laughter, a hater of women and a man who avoided the company of other men."

But Prof Lolos says that, whatever his temperament, Euripides was exceptionally diligent in his den. He believes the cave inspired *Hippolytus* Crowned, a story of love, fear and revenge.

The Greek government may soon turn the cave into an official place of pilgrimage for the poet's fans — the bigger ones, however, may not find it easy to get inside.

News in brief

Beijing put on terror alert

Hotels, airports and railway stations in Beijing and the western region Xinjiang have been put on alert against possible bomb attacks by Muslim separatists.

Sources said yesterday that the security authorities were alarmed by reports that 20 Uighurs had returned from guerrilla training in Turkey and were planning a bombing campaign. — *Reuters*.

Massacre denial

The former Mexican president Luis Echeverria has broken 30 years of silence to deny publicly that he ordered the Tlatelolco massacre of students in 1968. He blamed his predecessor, Gustavo Diaz Ordaz. — *Reuters*.

No survivors

Philippine rescue teams scoured Mount Sumagaya yesterday for survivors of Monday's DC-9 crash in which 104 are believed to have died, but they found only one name card, torn papers and a bloody towel, officials said. — *Reuters*.

Balloon flies on

The British balloonist Alan Noble, one of three Europeans trying to fly round the world non-stop, said their challenge was over but they were hoping to beat the record for time in the air. He said they expected to land in Burma or Thailand on Friday. — *Reuters*.

Colombian jail riot

At least six people were killed and 37 injured yesterday in Colombia's bloodiest prison riot in nearly a year. A prison spokesman said the riot in the Modelo jail in Cucuta, on Colombia's border with Venezuela, followed a clash between two gangs. — *Reuters*.

Mermaid repaired

A repaired Little Mermaid statue was unveiled on her rock in Copenhagen yesterday with her head, sawn off by vandals last month, firmly back in place. — *Reuters*.

User unfriendly

Bill Gates, the chairman of Microsoft, was hit in the face with a cream pie yesterday as he arrived for a meeting in Brussels. There were unconfirmed reports that the pie was thrown by Noel Godin, a Belgian prankster. — *AP*.

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Mandela comes under new attack

David Beresford
in Johannesburg

SOUTH Africa's Democratic Party, representing the liberal opposition, launched a provocative attack on Nelson Mandela and the ANC yesterday, accusing the president of "racial demagoguery" and promoting racial division.

The attack comes as the country is absorbing an assault on Mr Mandela's reputation by Brian Walea on BBC television. In a documentary broadcast in Britain on Tuesday and given wide publicity described Mr Mandela as "incompetent", "amateurish" and "reckless", accusing him of destroying the country for more than a decade, and prolonging apartheid rule and mismanaging the country since coming to power.

Mr Mandela responded in a calm manner, telling reporters that such criticism was to be welcomed as "it helps to make you human". But he is likely to take greater umbrage at the stinging criticism offered by his domestic political opponents.

The Democratic Party's broadside is a response to a speech by Mr Mandela at the ANC congress in December, in which he accused the liberals of belonging to "counter-revolutionary forces" working to "maintain the privileges of the white minority".

In a 34-page pamphlet entitled *The Death of the Rainbow Nation*, the party describes Mr Mandela's speech as part of a "deliberate attempt to polarise political debate and to shift the blame for the government's failure onto a disloyal minority".

It "over-stepped the bounds of legitimate political debate and entered the realm of racial demagoguery". The ANC had made a "concerted effort" over the past year to smear its political opponents as "apartheid spies" or "racists".

The party claims that there has been "a creeping reintroduction of race policies in South African society" by the ANC since 1994. Over the past year there had been moves to "systemise" these policies and introduce them to new areas of society, including tertiary education and sport.

The public and private employment sectors were also being "compelled to re-introduce racial classification and racial discrimination".

'The Employment Equity Bill would create an almost Kafkaesque legal system'

It was mobilising around race in "an attempt to tap into all the fears, resentments and suspicions built up under apartheid".

The party claims that there has been "a creeping reintroduction of race policies in South African society" by the ANC since 1994.

The area where the ANC's programme of racial transformation is perhaps furthest advanced is the civil service, says the pamphlet. In 1994 blacks made up 6 per cent of management. In 1997 they accounted for 32 per cent in national departments and 66 per cent in provincial government.

This "racial bean counting" had resulted in posts being left vacant because the only qualified applicants were whites, experienced civil servants being given huge severance packets and then re-employed as "consultants", and a breakdown in training for those entering the service, because there was no one left to train them.

The ANC, "far from fulfilling its promises of a better life for all", was in some instances delivering less than its predecessors "surely the most searing indictment possible for the government which was supposed to rid us of the legacy of apartheid".

Rethinking the colonies

France breaks its paternalist ties to Africa

Paul Webster in Paris

FRANCE has overturned more than 30 years of post-colonial policy in Africa by dismantling the co-operation ministry and absorbing the administration of its former territories into the foreign ministry.

Although the Socialist prime minister, Lionel Jospin, failed to persuade the Gaullist president, Jacques Chirac, to give up his own African office, the reform will accelerate France's review of political, military and economic influence in an area where heads of state from Charles de Gaulle to Francois Mitterrand often acted in collusion with local dictators.

Mr Jospin announced the change yesterday after a cabinet meeting agreed that administering about £3 billion of foreign aid no longer needed a special ministry and that the co-operation minister, Charles Josselin, should be given a new post as junior minister alongside the foreign minister, Hubert Vedrine.

Bilateral funding will in future be controlled by the finance minister, Dominique Strauss-Kahn.

A new international committee on co-operation and international development, Cid, is to be set up with nine members.

They will decide on "priority solidarity areas" for France's aid budget, which represents nearly 0.5 per cent of gross domestic product. About £1.5 billion is allotted to the poorest areas of sub-Saharan Africa.

Mr Jospin promised in the general election in June to review African policy to break paternalistic ties and suspect financial links, but a change was made more urgent because of the debacle over French policy in Rwanda and the two Congos, where aid had been used to provide arms to the losing sides in civil wars.

The issue of France's role in Africa has been further put in question by revelations over dealings by the state oil company, Elf, whose inter-continental French bank, Fiba, is suspected of channeling illegal funds to Gabon and other African dictatorships.

The newspaper *Liberation* yesterday linked judicial investigations into Elf's alleged interference in foreign affairs with an inquiry into the entourage of the Socialist chairman of the constitutional council, Roland Dumas.

Examining magistrates are studying suspicions that Elf's experience in arranging corrupt African deals enabled them to appoint middlemen for other foreign contracts, including the sale of six frigates to Taiwan.

Elysée officials said yesterday that Mr Chirac had approved the reforms, which followed his own decisions to run down France's military garrisons on the continent, and increase economic and diplomatic contacts with non-speaking French countries like South Africa.

Although Mr Chirac means to keep his African office, even Socialist officials agree that he has not resorted to the high-handed methods of De Gaulle, Georges Pompidou, Valéry Giscard d'Estaing and Mitterrand.

From De Gaulle onwards, rightwing presidents used the undercover network of a businessman and wartime resistance agent, Jacques Foccart, while Mitterrand's Africa delegate was his journalist son, Jean-Christophe Mitterrand, who was known as *Papa-m'titi* (Daddy-told-me).



Brenda Christian, great-great-great-granddaughter of the Bounty mutineer Fletcher Christian

Pitcairn's no fun, says descendant of mutineer

Ian Black
Diplomatic Editor

BRENDIA CHRISTIAN was hoping not to have to make a speech, but as she was the sole representative of Britain's tiniest colony it was likely the conference of the Dependent Territories Association would want to hear from her.

Mrs Christian, aged 44, has the looks of a Polynesian princess and a West Country burr picked up in Devon, where she has lived since leaving Pitcairn Island.

She wants to return to the remote home of the Bounty mutineers in time for the millennium, and so boost the population of 52.

"On Pitcairn you have to be able to provide for yourself," she explained yesterday as other conference delegates pondered the problems of the remnants of a once-mighty empire.

"You can't just lie on the beach — there isn't a beach for a start. If you want to do that you have to go to Honolulu."

With ships calling once every six months, the biggest problem is the lack of medical facilities, though a satellite phone has improved communications recently. Writing to her mother Doherty or brother Steven is a very slow option.

Mrs Christian, whose husband is British, is the great-great-great-granddaughter of the Bounty mutineer Fletcher Christian, who married the beautiful daughter of the King of Tahiti and settled on the South Pacific volcanic island in 1790.

Robin Cook, the Foreign Secretary, promised the conference a "modernised contract" between Britain and its remaining 13 overseas territories. But Pitcairn, covering less than one-and-a-half square miles and administered from New Zealand, 3,000 miles and seven days sailing away, is unlikely to feel the difference.

Little has changed since it was annexed in 1838 — though its population peaked at 233 a century ago.

'You can't just lie on the beach. If you want to do that you have to go to Honolulu'

later. Today its main revenue is from the sale of postage stamps, but it has also received over \$640,000 in British aid in the past six years.

"People at home really want to be heard," Mrs Christian said.

"On a lot of issues they find out that things that work in Britain don't work on Pitcairn. The Royal Engineers made a lovely harbour, but they didn't take into account the way things are for us."

So among the Christians, the Browns, the Yongs and the Warrens — the island's only families — expectations of New Labour are not running high.

"On Pitcairn we've got a council," Mrs Christian said, "and what the council says goes."

Leader comment, page 8

Home-grown support for Castro wanes as poverty bites deeper

Phil Gunson reports on Cuba's two-tier society which is spawning dissent among the young

A CUBAN joke has Raúl Castro, the president's brother and head of the army, telling Fidel about the government's unpopularity. "Things are so bad," he says, "that the only solution is to open up the port of Mariel as in 1980, and allow all the malcontents to leave the country."

"But don't you realise," responds Fidel, "that if we do that, you and I will be the only people left?"

Raúl looks surprised. "You and who else?" he asks.

If Washington had not shut the door at the height of the 1994 Cuban crisis, millions would have fled the island, most people here assume, even though open political dissent remains minimal.

"The regime maintains an important element of popular support," says leading dissident Elizardo Sánchez.

"But if there were free elections tomorrow it would be defeated."

Mr Sánchez, a professor of Marxist philosophy who broke with the revolution 30 years ago, estimates that only

between 20 and 30 per cent would freely vote for the Communist Party, compared with the 96 per cent support the government claimed in last month's (opposition-free) general election.

It is certainly difficult now to find Cubans willing to defend the regime in private, over a bottle of rum. Many, especially the young, complain openly, even to foreigners whom they have never met before.

"What's the point of working," said one 17-year-old, "if

the wages aren't enough to buy food and clothes? You can't go anywhere these days without being asked for your papers, and there's no entertainment for young people."

Speaking of his friends he added: "Some don't think of anything, except maybe stealing a handbag or a bracelet, or smoking marijuana. That's why so many young people are in jail."

"I don't know a single person under 35 who supports this regime any more," said a foreign diplomat who, like many others, describes the defining moment as the 1993 legalisation of the dollar, which created a two-tier society and left the revolution's

true believers at the bottom of the heap.

The average wage is less than \$10 a month, and, says the diplomat, many see no point in going to work for a salary and use their jobs simply as an opportunity to steal — everything from ice cream to building materials.

An academic who has studied in Poland said: "I see many of the same symptoms of political decay that I saw in eastern Europe 25 years ago, including excessive consumption of alcohol."

Before the Pope's visit it was commonplace to point out that Cuba was not Poland. But the Pope drew an explicit parallel between the two on

his return to Rome. And, among Miami's Cuban exiles, even some sceptics are over-night converts to the idea of a Polish-style Church-led counter-revolution.

"The Pope has extended the bridge between the exile community and the island, and we must reconsider our position," said Rafael Penalver, a lawyer who led the campaign to halt a pilgrimage to Cuba during the Pope's visit by cruise ship from Miami.

Bishop Thomas Wensky, director of Catholic charities in Miami, said: "The Church has taken the destiny of the Cuban people into its hands. The genie is out of the bottle."

The Pope's visit has prompted many Cuban-Americans to re-examine the US embargo, the centrepiece of Washington's anti-Castro policy. Even the hardline Cuban-American National Foundation and its ally Jesse Helms, chairman of the Senate foreign relations committee, have announced plans to send over food and medical supplies. No one expects an immediate relaxation of political control, and some predict a fresh crackdown.

There is little doubt that the Catholic Church will outlast the 40-year-old Cuban revolution. But whether an ailing Pope and a weak Cuban Church can seize the moment and guide the way to a post-Castro regime is debatable.

Israel on edge as Iraqi crisis fuels renewed fears of Palestinian intifada

Julian Borger
Middle East Correspondent

ISRAELI security forces are anxious that they may have to face serious threats on two fronts if Palestinian police buildings being reinforced, and concrete bunkers being built in the expectation of an Israeli incursion.

Meanwhile the mainstream Palestinian movement, Fatah, is becoming visibly more radical. The celebrations in southern Gaza last month of its 33rd anniversary included masked gunmen and resistance slogans.

A report in the Israeli daily *Ma'ariv* quoted security officials predicting that the Palestinian Authority would use a clash between US-led forces and Iraq to incite an uprising in the territories. Its aim, the report said, would be to exert maximum pressure on Israel for concessions.

Palestinian officials denied an uprising was being planned, but warned of a spontaneous revolt, fuelled by dashed hopes of peace and the threat of Jewish settlements on occupied territory.

"We have no interest in military conflict with the Israelis," said Ziad Abu Zayyad, a Palestinian official who took part in the Madrid peace talks. "But the Palestinian Authority must be responsible for their people, and if the Israelis invade... there will be very serious trouble."

Twice in the past month Palestinian police and Israeli troops have come close to opening fire on one another. On Monday Palestinian police pointed their rifles at Israeli troops chasing stone-throwing protesters in Bethlehem. The Israeli army chief of staff, Amnon Shabak, has acknowledged reports of Palestinian

military preparations, but said: "They are merely preparations... Nothing worries us but bad decisions."

Tension is rising daily. The unresolved issue of Jewish settlements in Palestinian areas is of particular concern. While many people's attention has been focused on Iraq, the Israeli interior ministry has approved plans to build 132 new homes for settlers in the volatile Ras al Amud area of east Jerusalem. A day earlier the housing ministry said it intended to quadruple the size of a highly sensitive West Bank settlement, Gush Etzion.

When she left Israel on Sunday, the US secretary of state, Madeleine Albright, was publicly dependent on her failure to win agreement on the next Israeli troop withdrawal from the West Bank.



Tension grows in the West Bank village of Ras Karkar as Israeli police supervise a house demolition. The authorities claim the home of Raed Samhan, seen struggling on the parapet, was built without a licence. PHOTOGRAPH: ABBAS MOUMANA

Mr Blair plays buddy

But he should ask questions as well as praise

A PRIME minister's visit to Washington holds up a mirror in which both countries can, for two or three days, contemplate each other in sharper focus. This time Mr Blair's visit takes place under a spotlight of even greater intensity for reasons which have much more to do with a former White House intern than the state of transatlantic relations. Whether this will give a more accurate picture is doubtful, but it certainly adds unexpected colour to the frame. That is no bad thing: this relationship has been for better or worse of huge importance for half a century and deserves all our attention.

While preparing to leave for Washington, the Prime Minister has already set out his view of Anglo-American relations in terms which depart more in tone than in substance from that of previous Conservative governments. But on the "special relationship", with its uneasy undertone of bilateral exclusivity, he does make an important shift. Mr Blair says he does not like the term, and prefers to see Britain as a bridge between the US and Europe. Indeed, he takes advantage of his presidency of the EU to speak for his constituents there in terms which many of them might find quite amazing. Are all Europeans "fully 100 per cent behind a strong relationship with the US"? But it is still a positive break from the past to link Britain in this way with Europe.

On matters of bilateral policy, Mr Blair's denial of a special relationship makes little difference. Not for the first time, a Labour PM asserts the connection with a warmth that might offend some sections of the Tory party. There's no point in inventing differences for the sake of it, argues the Prime Minister. Of course not, and difficulties over Northern Ireland have become a matter for historical debate. But should Britain — especially wearing an EU hat — really see eye to eye on Cuba, Iran, the Middle

East — and a range of trade issues from aerospace to bananas?

There was a time when British prime ministers sought (or at least pretended to seek) to exercise a calming influence on Washington when there was a war in the offing. That is evidently not the case now. Yet even the most loyal ally may perform a more useful role by adopting the role of devil's advocate when an enterprise with such ambiguous advantages as the bombing of Iraq is gathering momentum. Are the assertions of the increasingly flaky-sounding chief UN weapons inspector, Richard Butler, really to be trusted? Will the smart bombs turn out to be dumb once again? Are the diplomatic efforts under way being given a fair chance? Will not the harm to the integrity of the UN if a war is waged without explicit authorisation outweigh the gains? Giving support "in any way possible", as Mr Blair has pledged, should include the possibility of asking critical questions.

Looking in the mirror from the American angle, we can already see how Mr Blair appears in the most flattering light — a bonus which his advisers no doubt will have anticipated. It's hard to think of a world leader, says the New York Times, whom Bill Clinton "would be luckier to have" in the White House at this time. Everything appeals about Mr Blair, from his shirt-sleeved informality to his impeccable family morality (with only the slightest shadow cast by another less fortunate colleague). There is the common age factor, and the optimistic assumption that both leaders have discovered a "third way" between left and right. The Prime Minister should avoid playing these cards too often, and he should resist the temptation to appear too obviously as a knight in shining armour at Friday's joint press conference. Beyond the mirror images, the world has more serious issues waiting to be discussed.



Letters to the Editor

Death and the Dome

SURELY when a society exalts retribution above all other aspects of justice it has lost its claim to be moral (Appeal fails to save Tucker, February 4). To execute a woman whose awful crime was 15 years ago, whose background provides strong extenuating circumstances, who clearly shows both remorse for her deeds and a transformation in lifestyle, is almost beyond belief.

Stephen Lyne,
460 Church Road,
Bristol.

I'M a bit surprised to find myself flattered by the passion of Frederick Forsyth's response (Letters, February 3) to my letter about the termination of Anne Bullen's PCO employment. I would not wish to turn this into a saga. In any case I, for one, am not famous, and neither of us has the literary standing. However, I do think it's fair for me to point out that I was not referring to myself when I drew attention to the number of people who suffered hardship having lost their jobs during the Tory government. And neither did I imply that Ms Bullen was anything but very highly qualified to serve that government.

Margaret Palmer,
5 Evington Road,
London N8 0AA.

I AM amazed that anyone could fall for the Nigerian advance fee fraud (Nigerian scam costs UK billions, February 4). When I received a fax from West Africa offering me £2 million just for the use of my bank account I faxed back a two-word response which invited the sender of the invitation to relocate himself with immediate effect.

That any corporate officer would be caught by such an obvious scam beggars belief. John Richards,
56 Gloucester Road,
London SW7 4UB.

DO not try to suggest that the tragic death of the four-month-old baby occurred because his father put him on a vegan diet that case was one of general, sickening neglect (Veg out time? February 3). Secondly, a vegan diet can be nutritious, delicious and, yes, easy — one just has to think that little bit more about food: where it comes from and what it contains. Finally, isn't it rather sad to portray vegans as half-soaked, under-nourished social misfits?

Lois Blake,
6 The Crescent,
York YO6 3AD.

Yes, but, Minister ...

I WAS very pleased to read that Tessa Jowell's new recipe for health "will move away from blame" (My recipe for your health, February 3). For too long, those on low incomes, who suffer disproportionately from coronary heart disease and other illnesses linked to poor nutrition, have had their ill health blamed on their inability to shop wisely. However, evidence shows that low income families do shop wisely, but that healthy choices are generally more expensive. Choices, especially if you can't afford a car to get to edge-of-town supermarkets and must use local corner shops with their higher prices and limited range of fresh foods. What will be the healthy eating "opportunities" provided for them? Of course, "clear, understandable, unbiased and accurate information".

Surely this is just the very "advice from a well-intentioned but out-of-touch government" which Tessa Jowell criticised herself. There is a mountain of evidence showing that those on low incomes know exactly what constitutes a healthy diet but they are frustrated because they can't afford it or reach the shops selling it. While healthy food choices in work-

places and schools is admirable, much more needs to be done. How about giving school children the opportunity to eat for free some of the thousands of tonnes of fruit that is dumped each year in the EU? How about subsidies for fruit and vegetables, or encouraging supermarkets to set up in less well-off areas?

Perhaps, like some other countries, we could restrict food advertising during children's TV programmes. Parents whose home cooked food is rejected in favour of chicken nuggets and other branded products might be pleased. And if there is to be "clear, understandable, unbiased and accurate information" let it be printed in very large type on all food labels so that if we do decide to have sausages for tea we will know that we are paying for 50 per cent fat, added water and skin and gristle masquerading as meat.

Karen Valentine,
8 Rosewood Terrace,
Dundee DD2 1NS.

TESSA JOWELL writes that contracts "are the basis of government". But I'm afraid the Minister is a bit behind the times. The novelty notion that health services can be organised contractually wore off in this country

about a decade ago. Since then, the overwhelming bulk of scholarship has shown that some public organisations fundamentally cannot be contractual, unless the term "contract" is emptied of all determinate meaning. Productive use of contracts is possible only within an institutional framework which is not itself contractual. If I had to pick a single area in which this has been shown to be so, I would pick the study of health services.

David Campbell,
Sheffield Hallam University,
City Campus,
Pond Street,
Sheffield S1 1WB.

IN THE fine but vague words of Tessa Jowell, there is nothing to explain why a town like Bourne (Lincolnshire) is encouraged to expand its population yet simultaneously forced to lose its hospital.

Bob Pearson,
13 Mill Drive,
Bourne, Lincs PE10 9BX.

DOES Tessa Jowell's new contract for health mean that if I decline to give up smoking, her NHS will decline to treat my lung cancer? Christopher Scull,
42 Arbour Square,
London E1 0PS.

Toynbee and the price war

A FEW points in Polly Toynbee's piece (Will Blair dare, February 2) need correcting. If the Independent's sale "plummeted" on a Monday as a result of The Times' reduced cover price, why is it that the Guardian's sale doesn't "plummet" on Mondays too? As to The Times "losing £70million" last year: the current pricing policy of The Times is leading to profitability for the first time in living memory. This policy is not predatory either in Europe or the US. Tony O'Reilly and The Mirror Group are just as able to finance innovative pricing strategies for the Independent papers as News International is for its papers. Goodness knows The Mirror Group is spending fortunes on its tabloid titles.

Polly Toynbee accuses Labour of framing the new competition law to "avoid including Murdoch's monster media empire within its remit". What absolute nonsense. The Bill is primarily designed to incorporate tenets of European competition law. These would have to be spectacularly changed to outlaw a producer's right to charge what he likes for his goods in a competitive market. Jane Reed,
Director of Corporate Affairs,
News International plc,
London E1 9XY.

Spawned in the USA

But this doesn't mean that America rules the Net

SHOULD Uncle Sam be the proprietor of the Internet? No one doubts that the Net — the world-wide computer system providing instant communications and access to unprecedented sources of information — is an American invention. The US not only built it but American industry dominates almost every part of it. They make nearly all of the "routers", servers and the fibre optic "backbone" of the system besides providing most of the software. Although crucial parts, like the World Wide Web, were devised by others (in this case, a Brit), it is an industry which has the Stars and Stripes written all over it. But this doesn't mean the Net is part of their own backyard.

Last week the US government published plans for the privatisation of unique Net addresses — of the kind guardian.co.uk — without which communication would be impossible. This was a slap in the face for the EU which wants this — and lots of other problems — settled by means of an international charter managed by an international body based in Switzerland. Yesterday the EU published its own proposals and insisted that a global approach was necessary. It intends to convene a round table conference later this year to work out a non-legally binding approach that all countries can live with.

It is vital that international agreement is reached if only to stop the Internet disintegrating into turf wars between rival incompatible standards of the kind that split the television and

video recorder businesses years ago. Instant international communication demands that users have unique addresses which have to be allocated on an international basis. There is nothing wrong with the US proposals as such (they include adding new domain names like .shop and .firm to the existing ones like .com), it is just that the US believes international standards are fine as long as they are American. Last week's document presumed that the Internet was a fiefdom of US law. It isn't. It is now a global community and new regulations ought to be drawn up in the spirit of the communitarian philosophy which spawned it.

Domain names are only the first of a series of vital decisions needing to be made to accommodate the explosive growth in electronic trade expected over the next few years. The global market place won't be able to function properly if European versions of electronic cash use different technical standards to American money. Email exchanges will be impossible if people around the world can be awarded exactly the same address. Electronic voting could be stalled for the same reasons. Disputes about intellectual property will never be solved unless everyone agrees to a consensual solution which won't necessarily be an American one. America, understandably, is reluctant to let go of something regarded as its own offspring. But if the Internet is to fulfill its enormous untapped potential there is no alternative.

Ending the dependency culture

Robin Cook should bow to Ms Short, but stand up to Mr Straw

THE Government could be forgiven for cursing the day it inherited control of Britain's remaining 13 dependent territories. From Labour's first days in office, they have brought only trouble. One of the banana skins that made last August so awful was the stand-off between Clare Short and the people of Montserrat, when the International Development Secretary quipped that the volcanically-afflicted people had become so demanding "they'll be wanting golden elephants next". Now Ms Short is at the centre of a row with the Foreign Secretary over who should supervise the dependencies: Robin Cook announced yesterday a new ministry for the (now sensitively renamed) Overseas Territories, to be headed by the Foreign Office's Baroness Symons. Ms Short is said to have gone "ballistic" over the plan, since the UK's assorted islands and wildernesses also fall into her bailiwick.

Jack Straw was equally alarmed by yesterday's talk at the conference of territory representatives of extending citizenship to those dependencies which don't yet have it. Home Office traditionalists fear a bulk issue of passports could trigger a stampede of 180,000 colonials towards Britain's doorstep, claiming their "right to abode" in the UK.

Mr Cook should sort out the first bit of this mess by listening to Ms Short's objections — it can't be too hard to work out a joint jurisdiction. But he should stand firm against the anti-immigration voices in the Home Office. As their leaders said yesterday, most of the territories' inhabitants don't want to come to Britain: they want to make a go of their own societies. But in a post-imperial world they deserve the symbolic status of full citizenship. They have given much over the years; recognition is the least they deserve.

The timeless pull of Mr Punch



THEY don't know much about children, do they, these myopic librarians and stolid policemen? (Punch in trouble for setting children a bad example, February 4). I've been performing Punch and Judy at birthday parties and village fetes for the past 20 years, and can definitely tell the anxious people of Wiltshire that children don't learn from Punch. In fact they get huge satisfaction from telling him off, and from setting him right when he denies his crimes ("Oh yes you did!" they yell in indignant unison).

But, of course, when they yell at Mr Punch, they're really distancing themselves from that part of themselves which would like to indulge in mayhem and riot, and throw their baby brother out of the window. A good Punch and Judy show acknowledges the pleasures of destructive energy — but makes Punch face the consequences. He begins by beating up his wife and baby, certainly — but this means he has to face up to policemen, and crocodiles, and hammers — and in my thoroughly traditional show, even the devil.

I used to worry about very young children watching my show, but now I realise that they learn from older members of the audience what reactions are expected — and so discover how to cope with the excitements of drama. Had Mr and Mrs Kerton been a bit more aware of the way that literature works, they could have talked the story through with their daughter, and given her an indignant but amused model of reaction to Mr Punch and his antics. I doubt whether making a fuss about her fears, and encouraging her to avoid anything challenging will really help her to cope with her anxieties.

Punch and Judy is the only one of our traditional English folk drama. We live in anxious days, when there are calls to prevent even adults from watching videos that might just conceivably disturb disturbed adolescents. So maybe it's not surprising that some people want to emasculate Mr Punch. But for goodness' sake, let's resist them. George Simmers,
1 Easthill Close,
Brackley,
Northants NN13 7BS.

The pie chart

AS A MEMBER of a travelling band of Middlesbrough fans who judge away grounds by the standard of the pies on sale, I note with interest your comments about the poor showing by Della Smith's Norwich City in the recent football catering survey (Stadium caterers score an old goal, February 4).

Our trip to Carrow Road this year was certainly a let-down as we were expecting it to be a shrine to home-made pies. Our disappointment led to a few choruses of "Shit ground — poor pies" etc. Seeing as how Colman's sponsor both Norwich City and published this survey, one can only expect culinary improvements and new shirt sponsors next season.

Incidentally, Leicester City topped last year's pie chart and this season's leader thus far is Norwich's East Anglian rivals, Ipswich Town.

Neal Davies,
19 Sovereign Court,
Sunningdale,
Berkshire SL5 0RH.

A Country Diary

NORTHUMBERLAND: Unusual sitting tenants have posed a headache for a major development scheme in Gateshead. Two hundred breeding pairs of kittiwakes fly in from the sea every February to nest on the promenade and crevices of the Baltic Flour Mill building which is scheduled to be transformed into the venue for a major centre for contemporary arts. A steel kittiwake tower, over 40 feet high, is being constructed on the bank of the river Tyne eight metres downstream from the mill with the intention of luring the birds to new quarters when they arrive at the end of this month. "This kittiwake colony is one of the furthest inland sites on record in Britain," said a spokesman for Durham Wildlife Trust. "Kittiwakes, like our other seabirds, have had a rough time recently with oil and poisonous substances on the coast." The kittiwakes' new maternity home will be a 45 feet tall steel tower with nesting ledges eight feet long. Old nests have been taken from

the mill to lure the birds and decoy kittiwakes will sit on them, a proven method which has worked previously in rehabilitation. The old experienced breeding birds are the first to return to a colony and they are the ones which lay early. Kittiwakes show great tenacity towards the site in which they breed for the first time. In my father's ornithological records, I find that of 120 kittiwakes colour-ringed in the colony breeding on a warehouse in North Shields on the Tyne between 1954 and 1960, not one had been found to be breeding in any other colony within a 100 mile radius. Even the same nest sites were used by the same pairs, year after year. So it is not a foregone conclusion that the Gateshead Council kittiwake tower will fool the birds. During the breeding season kittiwakes like to bathe in fresh water. I remember watching the North Shields birds refreshing themselves in an inland reservoir and preening on a church tower after their bath.

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Small the T

Comment

Hugo Young

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Diary

Emily Barr

YESTERDAY it was Robin Cook, today, the Prime Minister's wife. Picking through a copy of BDA news ("news magazine of the British Dental Association"), I am amazed to discover that a workshop entitled "Face it — you need a practice manager" at the Dental Conference in April, will be hosted by Glensy Bridges and Cherie Booth. This seems extraordinary — is there no end to her talent? — so we call with congratulations. "I'm a dentist with a practice in South West Birmingham," Cherie tells us. Jan Robertson, MD of Land Rover, and in her hall she has a picture of him with Tony Blair, taken when the PM visited Land Rover's "Jungle Trek" in Solihull. "I respect and admire Cherie Booth," says Cherie Booth. But could Labour do more for dentistry? "Yes, certainly. Particularly on financial health is vital. It would especially help minorities. It's a very cost-effective health measure." Apart from this, however, Mr Booth has no quarrel with us. He is a dentist, and he finds it easy to get tables in restaurants. Are there any more of you out there?

YOU may recall that Gordon Brown did not receive the friendliest welcome when he visited Wood Green on Monday, as part of the welfare roadshow. His car was pelted with eggs, he was heckled by people wearing T-shirts proclaiming "Single Mothers' Self Defence", and although part of the audience leapt to his feet, he was booed throughout. So how was this troubled evening represented on the daily information sheet sent to all Labour MPs? Why, as "Standing ovation for Chancellor", of course. And quite right, too.

At the Queen Elizabeth II conference centre arrived that despite having many namesakes (precisely how many we will discover tomorrow), Robin Cook is not known to everyone. Not, at least, by his correct moniker. When he came into the VIP area, the security man picked up his mobile phone. "Roger Cook safely arrived," he reported.

IAM excited by a press release from Natalie Marshall of Taylor Woodrow. "Greenham Trading proves quality counts," says the heading, which is followed by four excited paragraphs about... earnings. "The state of the art muffs," Natalie tells us, "are ultra lightweight with flexible adjustments. They have a low two-point suspension which provides even distribution of pressure and a durable headband that can accommodate different head sizes." Different head sizes? For this masterpiece, Natalie is given the accolade for the year's most amusing press release — so far.

THERE is news of a novel method of cleaning up the streets from Dogs Today. Sydney has just won a Keep Australia Beautiful award, thanks to the release of 40,000 dung beetles, who ate up any unsightly obstructions they encountered on the streets.

A SWEET extract from Hansard is brought to my attention. Nick Hawkins MP has asked a series of questions about Oofy Wegs-Prosser, and how much he costs the taxpayer (hardly anything, apparently). To ask the Minister without Portfolio if she will make a statement indicating the access received by his special adviser, Mr Benjamin Wegs-Prosser, to official papers, "goes a question. The answer begins: "My Wegs-Prosser has access to papers which do not carry a security classification." Mandy and his Oofy. How touching.

STRANGE goings-on in Kentucky, where Philip Johnson has been taken to hospital suffering from a gunshot wound to the left shoulder. Two years ago, Johnson was treated for an identical wound, telling doctors that he had "wanted to see what it felt like to be shot". This wound was apparently also self-inflicted, because the first shooting "felt so good he had to do it again".



Small signs of life in the Tory party

Commentary

Hugo Young

IHAVE seen a tremor of life in the Conservative Party. Faint rumblings under the silent tundra of the Tory mind are possibly discernible. Iced-over since May 1, this organ appeared to have been severed from what remained of the body, and incapable of anything more intelligent than yesterday's reflex twitch that persuaded it, in parliamentary time to consider the private life of the Foreign Secretary. But, deep death may have been staved off. Instead of being staved off, a few discerning souls have begun to think about next time.

The Cook story is quintessentially old politics. Having seen themselves destroyed by sleaze, some Tories stretch their imagination no further than believing vengeance will be not only sweet but effective. Calling for Robin Cook's resignation is at every level a misjudgment badly timed, politically futile. A

strong new government will never be deserted by the voters on an issue like this. The Tories who promote it look as barren as they are trivial, with nothing serious to talk about. Their only way back into the voters' favour will be by the high road not the low.

Elsewhere in the underground, however, they may have begun to find it. Progressing this way will be heavy work, and a test of their willingness to reconsider their deepest instincts. But in the beginnings of an assault on the Government's constitutional programme, maybe they're starting to reassemble their credibility. The first great exercise in Tory revisionism could be under way. Such a process has sound antecedents. Tony Blair wouldn't be in Downing Street today if he hadn't decided that, for a party that's down and out, revisionism must direct itself to the centre not the edge of old beliefs.

At the election, John Major gave Tory antiquity a final outing. Having, as he thought, won in 1992 by saying that the Union of the Kingdom was at risk, he thought the trick would work again. And besides, he believed in antiquity. So did his entire cabinet. They opposed every aspect of the Labour Party's policy on the constitutional question, with arguments so persuasive as to draw the Economist, modish journal of the global business class, into advising

against a Labour victory solely on the grounds that Blair, horror of all horrors, was a constitutional reformer.

The Tories didn't adopt this position by cheap calculation. It came from their roots. The sanctity of the national constitution is as revered a totem for many Conservatives as the sanctity of the party constitution was for many Labour people, before Blair insisted on re-writing it. Major himself made such passionate noises of belief in the unchanging Union that he might have found it impossible, as leader, to rethink them in the light of new reality. And this is now coming. A Scottish parliament, a Welsh assembly, a de-betted House of Lords, a mayor in London will all have happened by the time the Tories get another whiff of office. These ineluctable realities are what all politicians will soon have to deal with by some other method than burying their heads in the complacent paeans of Walter Bagehot.

So many top Conservatives — Redwood, Howard, Portillo, Forsyth, others — spoke in Major-like tones, accompanied by the heavy drum-beat of Euroscepticism, that their conversion into constitutional reformers seems prophetic. But William Hague will make a speech later this month opening up this agenda, which offers him the

opportunity both to re-position the party for the first time since he came to office, in serious politics, and to attack the Government for not going far enough with their reforms. This may be quite a turn-around, but it's actually the only one available.

Labour's constitutional list, though adventurous, is highly vulnerable to constructive attack from a party willing to break with Bagehot: an attack the Lib Dems have stopped making since they joined Blair's cabinet committee on the subject. The inherent problems that Scottish devolution will pose, for England and for Westminster, are being masked only by Labour's large majority. They could become lethally destructive. The void in public debate about the House of Lords can't foreclose for ever the danger of the place becoming

The Government recoils from the danger of thinking big

ing a quango-rat scandal. Vapid ideas about regional government can't be allowed to stall unchallenged into the quasi-statute book. The list is much longer. A party that simply wanted to erase it all, as the Tories have hitherto, would have no useful part in examining it. But this week, a para-Tory outfit, the Centre for Policy Studies, published a pamphlet arguing for a federal Britain, by a Tory academic, John Barnes. The argument is not made with perfect clarity. In fact, when it comes to describing the mechanism for an English assembly to match the Scottish and Welsh, it's madden-

COMMENT AND ANALYSIS 9

A rousing song for Scotland the brave



David McKie

THE Scottish Arts Council wants Scotland to have a national anthem to mark its advance to home rule. Wales has an anthem already — Land Of My Fathers — recognised in the standard textbooks, so even does the Isle of Man ("O land of our birth, O gem of God's earth, O island so strong and so fair; Built firm as Barroir, Thy throne of House Rule, Make us free as thy sweet mountain air"). But Scotland seems hopelessly torn between various contenders, like Flower Of Scotland, which gets sung at rugby matches, and Scots Wha Ha's, and Scotland The Brave, none of which — as a telephone hotline operated by the Herald, Glasgow, suggests — commands a consensus. The Herald is offering to commission a new one, which means it will now be deluged with recycled love songs and drinking songs and floods of doggerel outMcGonagalling even the bard of Dundee.

than bloodshed. Denmark, for instance: "There is a lovely land, Whose charming woods of beeches grow near the Baltic strand. Grow near the Baltic strand... No one gets hurt. The earth detached. Unusual. But Hungary's anthem is all third person, and pretty cool third person at that: "God bless the Hungarians With good cheer and prosperity. Extend a protective arm if they fight the enemy... The great Charlemagne: "The great Charlemagne, my Father, from the Saracens liberated me, And from heaven he gave me life of Meritall the great Mother... (Andorra). The politically idealistic: "This great principle: 'The King is not sovereign'. Resounds, and those who suffer Praise the passion in it" (Colombia). The ideologically superior: "Against the cynical malice in the shape of neo-colonialism and its petty lack of servants, Many gave in, but certain others resisted" (Burkina Faso). "Sing with me — We to the Imperialists!" (Libya). And the viceroyally alluring: "My friends, the vines have produced a Sweet wine which enlivens our veins" (Slovenia).

FEW are devised by the famous. Rabindranath Tagore wrote both the words and the music for the Indian anthem and also the Bangladeshi. The German anthem (they now use the third verse, not the more provocative first) is set to Haydn. Some say Austria's is Mozart, but that is probably sentimental. The Russian uses a bit of Glinka, having dropped that big thumping tune which comes in the 1812 overture. (The Glinka has no agreed words). Senegal's words were the work of the country's president, while Taiwan's are based on a speech by Sun Yat-Sen. Burundi's were written by a commission; Ghana's are attributed to its government.

Some nations share. Liechtenstein uses the same tune as we do; the same anthem serves Cape Verde and Guinea-Bissau. Finland and Estonia have the same gorgeous, tub-thumping tune by Fredrik Pacius — my own particular favourite, along with the new South African number. The Czechoslovak anthem used to come in two parts, one Czech and one Slovak. When the two countries split, the anthem was simply uncoupled, like a train for the Sussex coast at Haywards Heath.

Most anthems are marked in march time, or like our own, *maestoso* (majestically). Estonia's says: *maestoso con entusiasmo*. Malawi's and Tonga's demand devotion; Uganda's, dignity. Antigua and Barbuda say not too fast, and New Zealand, not too slow. If I were the Scots I'd be tempted to go for the boisterous Fennius and get some good Scots poet to set fresh words to it. And by a good Scots poet, by the way, I don't mean Murray Lachlan Young.

Yeah, but... it's Bill

Britain's premier is not in Washington to buy arms or to negotiate loans, says Martin Kettle. He wants President Clinton's social policies

THE Prime Minister, wrote Michael White on this page last week, has taken to berating something that he calls Labour's "Yeah, but..." tendency. It is a familiar leadership charge since before Tony Blair's time. But the criticism has become louder under Blair — and it is sometimes, let us admit it, well made. Yeah.

But not always, and certainly not in the Bill Clinton context. Indeed it would be hard to think of a political leader who better deserves the assessment "Yeah, but..." than this US president and his achievements over the last five years. Yeah, Clinton is a winner who offers many positive lessons for any intelligent modern government. But Clinton also points to several of the perils too, and by no means only in his irresponsible personal conduct. Blair would surely have to be a fool, which he is not, not to see that.

The dangers of self-deception are there, on both sides. Tonight in Washington the two modernisers will rightly celebrate their mutual successes. Clinton's current perils, which are still mighty serious, have transformed the event into an emergency public bonding session. But the deeper purpose of the three-day visit is to mark and promote what Clinton, in his State of the Union speech last week, called "the third way".

That speech repays study. It is an essential modernisers' text, which had been prepared with enormous care and consultation long before the White House was overwhelmed by crisis management. Crucial themes and large parts of it could have been written for Blair as easily as for Clinton.

Policy announcements, like smaller class sizes and investment in child care, are literally interchangeable. The language, too, sounds familiar.



The section about the "third way", for instance, describes moving "past the sterile debate between those who say government is the enemy and those who say government is the answer". Later on, Clinton asked: "Do you believe we can become one nation? The answer cannot be to dwell on our differences, but to build on our shared values." Those

words could have come out of Blair's mouth as easily as Clinton's. There are, of course, verbatim accents in Clinton's rhetoric which would not apply in Blair's, and vice versa, just as there are specific policy differences, too, some but not all of which are in Britain's favour. In the past, Labour tended to look down on the Democrats as a

diluted and inferior form of their own progressivism. But it is hard to imagine Blair prosecuting Bill Gates for trying to create a monopoly, as Clinton has done. Nevertheless, the most striking aspect about Clintonism and Blairism is convergence not divergence. Blair has been a Clintonista right from 1992, and his administration is heavily American

orientated. Key backroom figures such as Jonathan Powell and David Miliband are steeped in American politics, as are Peter Mandelson and Philip Gould. There is absolutely no equivalent or countervailing European expertise or instinct. There will be much to see, today and tomorrow, of the public face of this convergence: Bill and Tony, Hillary and Cherie, Elton John and Stevie Wonder, all will provide useful footage. But these will not be the lasting stuff of the world's summit. Away from the cameras, behind closed doors, top advisers and the respective house intellectuals will be meeting to cement the policy convergence process still further.

Tomorrow's discussions at the White House guest residence, will be a neat reminder of the new version of the "special relationship". In the past, British leaders came to Washington to buy arms or to renegotiate their overdraws with the IMF. Now, though, they come to buy social policy bargains.

The discussions will focus on the task of fleshing out the "third way" which both governments see as their legacy to the world. On the Clinton side, there is at present a powerful compulsion for historical self-validation. It takes the form of ambitious claims, well expressed in the State of the Union speech, about the administration's achievements, understandings and public esteem.

It is all very understandable, especially at present. Yet for the discussions to be truly productive, Blair and his advisers need to bring their sense of perspective, and a certain historic humility amid the praise they will receive. Some of the Clintonian claims are valid. Others are wishful thinking. Let's hear it for "Yeah, but..."

Hypocritical sex please, we're French



Paul Webster

IN 1899, President Félix Faure died while making love to his mistress in his office at the Elysée Palace, setting a lasting standard for their that has enabled the French to look on the recent Clinton fumble with unholy-thought amusement.

As far as I am aware, no study has ever been made linking that fatal orgasm to the appalling sequence of cross-channel policy failures in the 99 years that

followed, not least the removal of a head of state standing in the way of an *entente cordiale* which, after its approval in 1904, drew Britain into the Great War and the eventual loss of its Empire.

Those grand reflections on whether a politician's private life could have the gravest national importance do not, at least on the surface, seem to worry the French, even though their history has more closets than a Feydeau farce. Who took over the desk of the prime minister, Paul Reynaud, when he fell into despair in June 1940? His girlfriend, who even volunteered to direct retreating military traffic. And who used to accompany that paragon of French morality, Pierre Mendès France, on his official visits abroad as prime minister? His mistress —

author of this famous advice to all would-be part-time partners: "A mistress's most important quality is to be permanently available."

To these insights into the classic perception of Gallie *savoir-vivre*, the French magazine, *Marianne*, has, in an attempt to stir up a quiver of shock, published the names of women whose alleged affairs with French heads of state have been matters of public speculation for ages. An article linking, for instance, the Emmanuelle star Sylvia Kristel to Valéry Giscard d'Estaing and Claudia Cardinale to Jacques Chirac, carried the implicit message that a lot on the side has been no obstacle to governing the world's fourth biggest power. Behind this façade of tolerance, there is an immense wall of official hypocrisy. While the inner circle of

what is called *le Tout-Paris* pass on this titillating tale with layers of innuendo, the public is given no right to pass judgement. French laws on the reporting of private life, originally framed to protect politicians, are so strict that journalists could end up in jail if they carried out a thorough American-style investigation into the consequences of running a harem and a country at the same time.

In addition, France's reverence for authority has led to sanctimonious media self-censorship that ignores fundamental questions of whether sexual relationships could threaten national security. One of Mitterrand's girlfriends claimed that she persuaded the late president to reverse his pro-Israel policy, while *Marianne* magazine now alleges that a Russian companion of Chirac was a KGB spy.

The French electorate has been told so often to mind its own business or blatantly lied to over the sexual excesses of their leaders that opinion polls persistently show that most voters think that private lives of public men should remain sacred, although the majority of anonymous scandals were caused by a whiff of financial corruption or worse.

From conversations with politicians, you gain the impression that they are doing the electorate a favour by spending more time on the job than on the job. After watching a white-haired senator lasciviously chatting up a young blonde reporter, I asked him whether he had any feelings about mixing politics and sex. "Affairs are part of my public duty," he said. "The common people have always loved to *baiser* by proxy."

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Roger Opie

The politics of economics

THE economist Roger Opie, who has died aged 70 from Alzheimer's disease, will be remembered by his many friends and generations of students as a star, a controversialist who spanned the worlds of university teaching, of public service, officialdom, local politics, and media presentation with apparent effortless ease.

With political views closer to traditional social democracy than shiny New Labour, he had a vivid personality and a challenging, Australian, directness, tempered by charm and humour. His style suited the economic and political optimism of the 1960s and the increasingly desperate, but still activist, 1970s. He was appalled by the 1980s and was a bitter opponent of "monetarism" and increasing inequality.

Opie was born in Adelaide, South Australia, into a family of Cornish and Methodist background. He studied economics and taught at Adelaide University before gaining a Rhodes scholarship to Oxford. Knowing little of Oxford, he chose to study PPE at Christ Church because he knew the economist Sir Roy Harrod was there, gained first class honours, and went on to Nuffield College for postgraduate work taking a BPhil in economics when he was 27.

Christ Church in the early 1950s, with its reputation for privilege and its overtones of *Brideshead Revisited*, must have been something of a shock to a brilliant young Australian of leftish and egalitarian views. It was there he met Frank Pakenham (Lord Longford) who was his politics tutor. They became lifelong friends and it was Pakenham who introduced Opie to Norma Cantor when they were both working for him. They married in 1955. Opie was a lecturer at the London School of Economics before he came in 1961 Fellow of Economics at New College where he remained until his retirement in 1992.

The election of the Wilson government in 1964 led to an exodus of Oxford economists to Whitehall. Opie became assistant director of planning in the Department of Economic Affairs, working on the ill-fated National Plan. He went on to work (part-time) with the chairman of the National

Board for Prices and Incomes, Aubrey Jones, and, in 1968, was appointed to the Monopolies and Mergers Commission — on which he remained until 1981. In the late 1970s, he was simultaneously a Monopolies Commissioner and a member of the Price Commission and to many it seemed that he was poised to leave academic life for some full-time official role. With the election of the Thatcher government that was not to be.

being better policy and a better, fairer world. He was a superb teacher and a wonderful proselytiser for the subject. His lectures were packed. He was a passionate believer in the Oxford system of education, including the tutorial system, which he had learned to value during his time at Christ Church.

Engagement in policy and the policy debate, apart from being sanctioned by tradition, was, as far as he was concerned, part of what he brought to his teaching. His main specialisms developed, in line with his outside activities, from finance and macro-economics through to industrial economics and, especially, when he became a Monopolies Commissioner, competition policy — that area where the left and right of the economics profession bury their differences and agree on the need for vigilance, monitoring and control. His teaching style was to hold up theory and practice for open and often combative debate.

A famous communicator, he somehow found time for two spells as economics correspondent of the New Statesman. His columns were topical, pointed, and sometimes outrageous, as when he sounded off about income inequalities as measured by the number of ocean-going yachts in Poole harbour — and as observed from his own. He became well-known as a television pundit and was the presenter of two television

series on economics. He was much in demand as a lecturer for business audiences — even for the lucrative after-dinner speech slot at grand occasions.

His hallmark was spontaneity. Few knew that, like most pros, he achieved this by meticulous preparation; he even had a notebook in which he recorded anecdotes for future off-the-cuff remarks. He prepared just as thoroughly for talks on economics to schools, pursuing his personal projects of generating interest in the subject and trying to widen access to Oxford. He stood for and served on the local council in the 1970s.

With such an active and high-profile career, it might have been expected that, like so many others, he would leave Oxford for public life. He chose to stay. One of the factors was surely his commitment to New College. He had an unstuffy love for the institution and belief in its educational values while being scathing about social

privilege. Another factor, surprising perhaps given the public persona, is that Opie was rather a private man. The strong centre of gravity of his life was his family — Norma and his three talented children of whom he was enormously proud.

It is natural to see the political changes of the 1980s as a terrible blow for such a man. But that is only part of the truth. Opie was no "history man" to bend with the wind; nor did he feel personally threatened by political change. He continued, so to speak, in opposition, to push with characteristic wit and style, for his own vision of a saner world. And, there is no doubt that, in the 1990s, he had not succumbed to Alzheimer's, he would be pushing still.

Chris Allsopp
Roger Opie, economist, born February 23, 1927; died January 22, 1998

Opie belonged to that generation for whom economics, and social science generally, was a means to a better, fairer world

Opie was awarded the CBE for public service work in 1976. Such a bare-bones account of his public life says little about what Opie was like or what he stood for. He belonged to that generation for whom economics, and social science more generally, was a means to an end, the end

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Opie: he achieved spontaneity by meticulous preparation

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Nicholas Saunders

Putting ecstasy on the Internet

NICHOLAS Saunders, who has died in a car accident in South Africa, aged 50, was an alternative entrepreneur of genius, who wrote the first *Alternative London* guides, transformed Neal's Yard in Covent Garden into an oasis of greenery and alternative businesses, and became renowned in the media as the guru for the drug ecstasy, running the *www.ecstasy.org* research site on the Internet which receives about three million accesses a year.

Saunders — whose father Sir Alexander Carr-Saunders was director of the London School of Economics — was always a rebel. He tried to blow up his school chapel at Ampleforth — although he was quite relieved when the bomb failed to go off. Later, he dropped out from his engineering course at Imperial College because his insistence on working everything out from first principles did not fit the system.

He was a squatter before it was fashionable in the 1970s. For three years in the 1960s he squatted a disused house in Chelsea, hidden behind boardings, along with five geese and a fairground garden, part of which he flooded. His mother gave him money for a mortgage to encourage him away from this lifestyle, but he stayed put and used the money to start developing

and selling a series of flats. This provided the capital, in 1970, for printing 50,000 copies of his first and very successful *Alternative London* guidebook, which he distributed himself. Saunders believed that he was the first to use the phrase "alternative" and the book distilled his tips on everything from drain repair in squats to hitchhiking to the East.

His new home in World's End, where ducks would come under the living room window to eat from the pool around the table, and giant bubbles floated out to passers by, burned down when a Danish girlfriend, meditating in the papier-mâché igloo, overturned a candle and did not know the number for the fire brigade.

In 1976 he moved into an old warehouse in the very derelict Neal's Yard in Covent Garden and opened downstairs the first wholefood

warehouse in London that sold medium bulk to the public. He was proud that their turnover per square foot exceeded Sainsbury's. The most popular items sold there led him to set up a series of other shops in the Yard, ranging from the Neal's Yard Coffee house and the Neal's Yard Bakery to the Neal's Yard Dairy and Neal's Yard Apothecary. He created more than 100 jobs without government aid of any kind and without any of the businesses failing.

Saunders had a belief derived from a Gurdjieff group he once belonged to, that fulfilment comes from work which is demanding, so long as it gives opportunity for variety, learning and responsibility. So rather than have a machine hoist, workers lifted bags of grains and beans up to the first floor packing room by jumping out of the window holding the pulley rope.

With the computer revolution Saunders went hi-tech, opening the first "laundrette" for desktop publishing, the Neal's Yard DTP Studio, where you could bring your work in to do yourself on an Apple Mac, or have a "service wash" — someone to do it for you.

At the time of his death, Saunders was attempting to launch a public campaign against Camden Council's plan to gentrify Neal's Yard and get rid of the trees in tube to make way for the new, very commercial, cafes and their insistence on filling the whole yard with tables.

Taking the drug MDMA (Ecstasy) in 1988 made Saunders realise that he had been mildly depressed for 10 years, and he set about uncovering every piece of research on this drug, believing that adults, if sufficiently informed, should be free to make their own decisions about drug taking — while hoping that rave culture would realise through his work that ecstasy was more than a dance drug and had potential as a tool in therapy, marriage guidance, painting and spiritual exploration.

He organised group experiments, such as one where artists drew portraits in a group

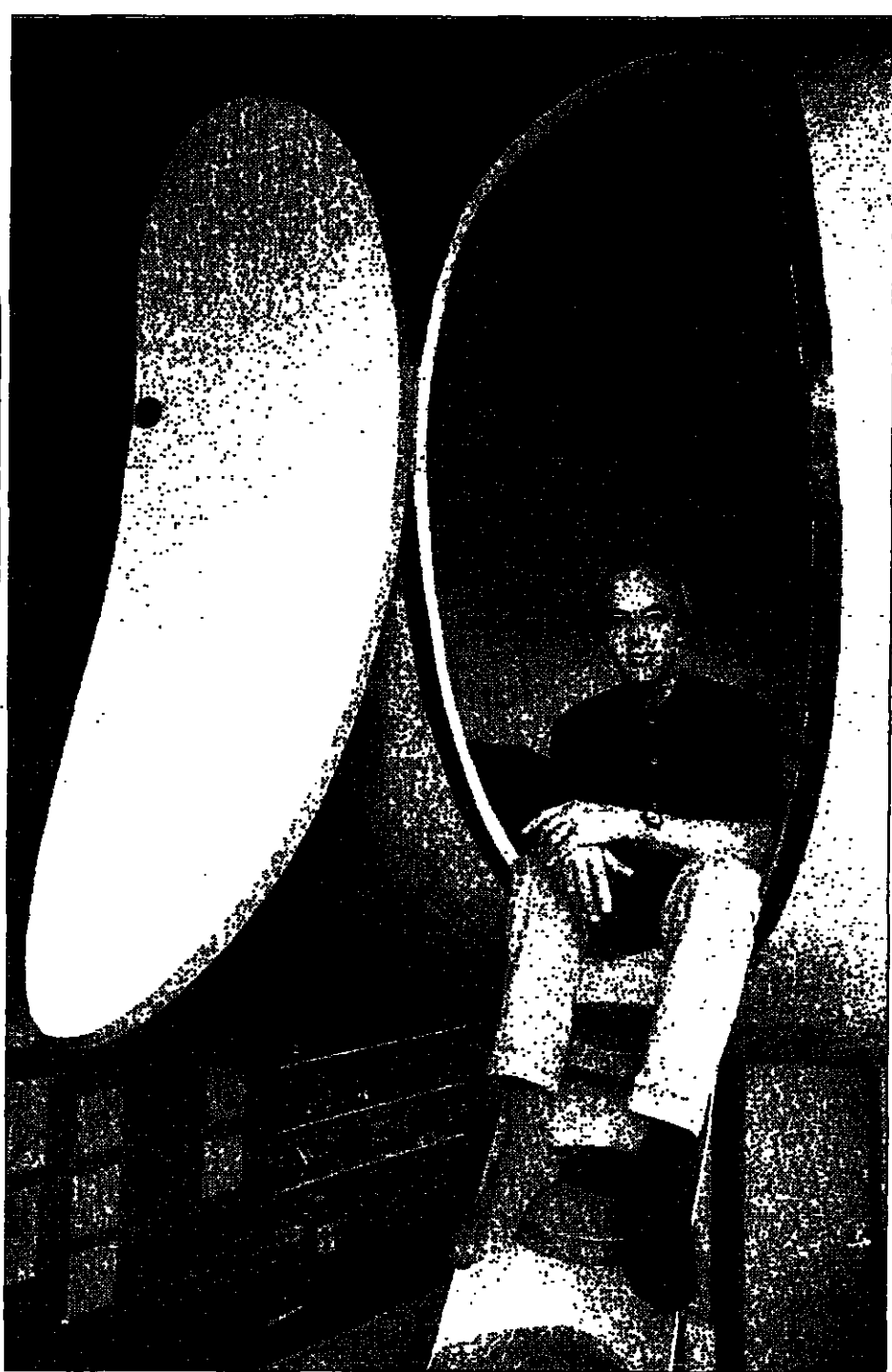
without the drug and then again under its influence — with the drug drawings gaining in emotional intensity at the expense of discipline and polish. He self-published his findings in the book *E for Ecstasy* (1993), which sold 20,000 copies a year, and followed this up with *Ecstasy Reconsidered* (1997), for which he commissioned a survey of the research on the drug's potential neurotoxicity. On

his website *www.ecstasy.org* he published recent photos of the various ecstasy pills on the market, with warnings as to their actual constituents.

Before he died Saunders was finalising research for a book on drugs and spirituality, having visited a number of tribes around the world who use natural drugs ranging from ibogaine to ayahuasca, for their communion ritual.

Saunders leaves behind not only his co-researcher and partner, Anja Dashwood, and Kristoffer, his son, but a host of grieving friends around the world who have set up a web site for stories of his life at *www.stain.org/nicholas/*

Nicholas Albery
Nicholas Saunders, alternative entrepreneur, born January 25, 1938; died February 8, 1998



Alternative thinker... Saunders in his flat at Neal's Yard

PHOTOGRAPH: MARTIN AYLES

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Assia Noris

DUBBED "Italy's sweetheart", Assia Noris, who has died aged 86, was one of the country's most popular comedy stars in the late 1950s.

Born Anastasia von Gerzfeld in St Petersburg, she came to Italy via France and marriage to an Italian from whom she was soon separated. Spotted by a film producer in the audience at a theatre in Rome, she made her acting debut as an American in *Tra Domini e il Frac* (Three men in White Tails, 1932).

At that time she met Roberto Rossellini who became her second husband. She also got to know Mario Camerini, who became her Pygmalion and later her husband. Under his direction, she was to make nine films. Her most popular films were with Vittorio de Sica, the debonair screen idol of the 1930s. Their

successes included *Daro Un Milione* (I'll Give A Million), and *Grandi Magazzini* (Big Stores, 1951).

But it was *Il Signor Max* (1937), which brought them stardom. Noris played Laura, the honest, shy and good-hearted girl at the mercy of deceitful men. It was a role she reprised in several films.

After the war, Italian cinema's "sweet young things" gave way to more erotic and down-to-earth heroines. Noris retired, moving to Egypt where she married a local businessman. She attempted a comeback in 1964 with *La Celestina*, which she produced and co-scripted herself. After its failure Noris retired again, this time for good.

John Francis Lane
Assia Noris, actress, born February 6, 1912; died January 27, 1998

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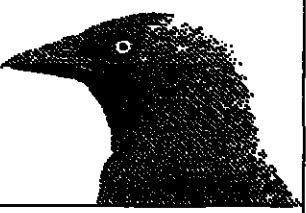
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Jackdaw



Sibling friction

LOOKING at 46-year-old Joey now, with his snow white hair, bulging tummy and untidy jeans, it's hard to spot the Traviolta family resemblance. He looks much older than the dark and smouldering John, although there is only two years difference. And in the past, their acting skills have been unfavourably compared. In the seventies, at the height of *Saturday Night Fever*, Joey was a gang leader in a forgettable film called *Sunshine* and the critics had a field day. "Joey Traviolta shows no evidence that he can act and he isn't asked to dance," thundered New York's

Analysis Murdoch's millions

Rupert's moving tax target

The media mogul's empire is more adept than most at shuffling profits around the world. A global team of experts is trying to crack the problem, but their chances are slim. **Roger Cowe and Lisa Buckingham report.**

ON MONDAY, the House of Lords will be asked to take action against Rupert Murdoch, the press baron hated by the chattering classes and the world's tax authorities but not, it seems, by Tony Blair and his government.

Labour peers have been instructed to vote against a measure backed by a cross-party group of peers which would outlaw "predatory pricing" — selling below cost. The amendment to the Competition Bill is aimed squarely at the Australian-born tycoon, and focused on the damage done to the independent newspaper by price cuts, particularly at the Times. Among its backers is Sir Gordon Borrie, an independent director and a former Director General of Fair Trading.

The move has little chance of success, but even if it did pass into law it might make little difference. Laws already exist in the US and elsewhere to prevent the kind of cross-subsidy which has allowed Murdoch to finance Times losses from his profits at BSkyB and the Sun. But they have proved difficult to enforce. It is difficult to distinguish between predatory and promotional pricing. It is also well-established business strategy for a company to be prepared to take losses in building up one leg of its activities, financed by another. Quality newspapers besides the Times — including the Guardian and the Observer — are no strangers to this phenomenon.

Those who seek to bring Murdoch to book might do better to focus not on his revenues, but on the other end of his finances — the taxes his companies pay, or more precisely do not pay.

That is exactly what an international team of tax experts is now doing. As part of the increasing spirit of co-operation between authorities in the Anglo-Saxon countries, the Australian Revenue Service has called in colleagues from Britain, the US and Canada to attempt a clampdown on Murdoch's highly successful — and perfectly legal — avoidance



Rupert Murdoch

techniques. The target is very clear. Whether it can be achieved is another matter. News Corporation, the main Murdoch corporate vehicle, has certainly made its tax affairs extremely complicated. Some tax experts suspect that this may be designed to make governments find it hard to trace profit. "But no one has ever been able to prove anything, even though various parts of the empire have been subject to numerous periods of scrutiny," one media financial adviser explained yesterday. "The closest anyone seemed to come was the News DataCom affair last year in Israel (in which tax authorities raided a News Corp subsidiary to investigate whether it had sought to evade taxes on almost £100 million in income). News Corp denied any wrongdoing. There is no doubt they are incredibly tax efficient and very clever in the use of deadlocked companies with their own trading statements and accounts."

News Corporation, which remains Australian-based, paid Australian \$138 million on tax last year. But this was merely 15 per cent of the group's A\$605 million worldwide operating profits. At the standard 36 per cent Australian tax rate, News Corp would have paid A\$396 million — almost two-and-a-half times what was actually passed over to governments

around the world.

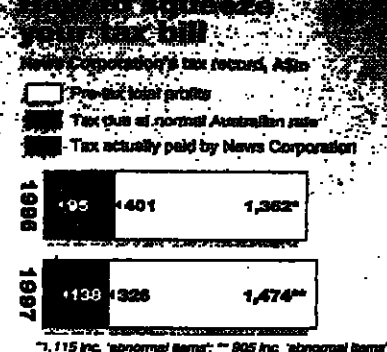
In Britain, the Treasury has done much worse than those in many other countries where Murdoch operates. For years in the 1990s, News International paid no mainstream UK corporation tax, despite reporting huge profits from the Sun, News of the World, and satellite broadcasting interests. Some of the reasons for this astonishing position are obvious. Others can be derived from close examination of the Murdoch empire's internal structure. But ultimately there remains a black hole, which may only be explained by the fact that News Corp is actually much less profitable than it appears to be.

All multinational companies manoeuvre their affairs so that they pay as little tax as possible. Mostly, this is perfectly legal and no different to individuals putting money into pension funds and Tesco savings accounts. Tax evasion is different. That is equivalent to somebody claiming more miles for their company car than they have actually driven on business, or failing to declare income from piano lessons, private maths tuition or window-cleaning.

NEWS Corporation has not been accused of such evasion. But tax-gatherers around the world want to know if they have seen too little of the group's profits because they have failed to apply existing rules properly. In Britain, the Inland Revenue has centralised its top inspectors in a special unit aimed at the largest corporations. There are plans to tighten the rules on "transfer pricing" — the method by which international companies move revenues across borders.

News Corporation insisted yesterday that it had paid all its dues. In a statement from its Australian headquarters, it said: "All companies are subject to scrutiny by the tax authorities wherever they operate. News Corporation is no different to other companies in that respect. The company pays its taxes in accordance with the

Filtering out the taxes

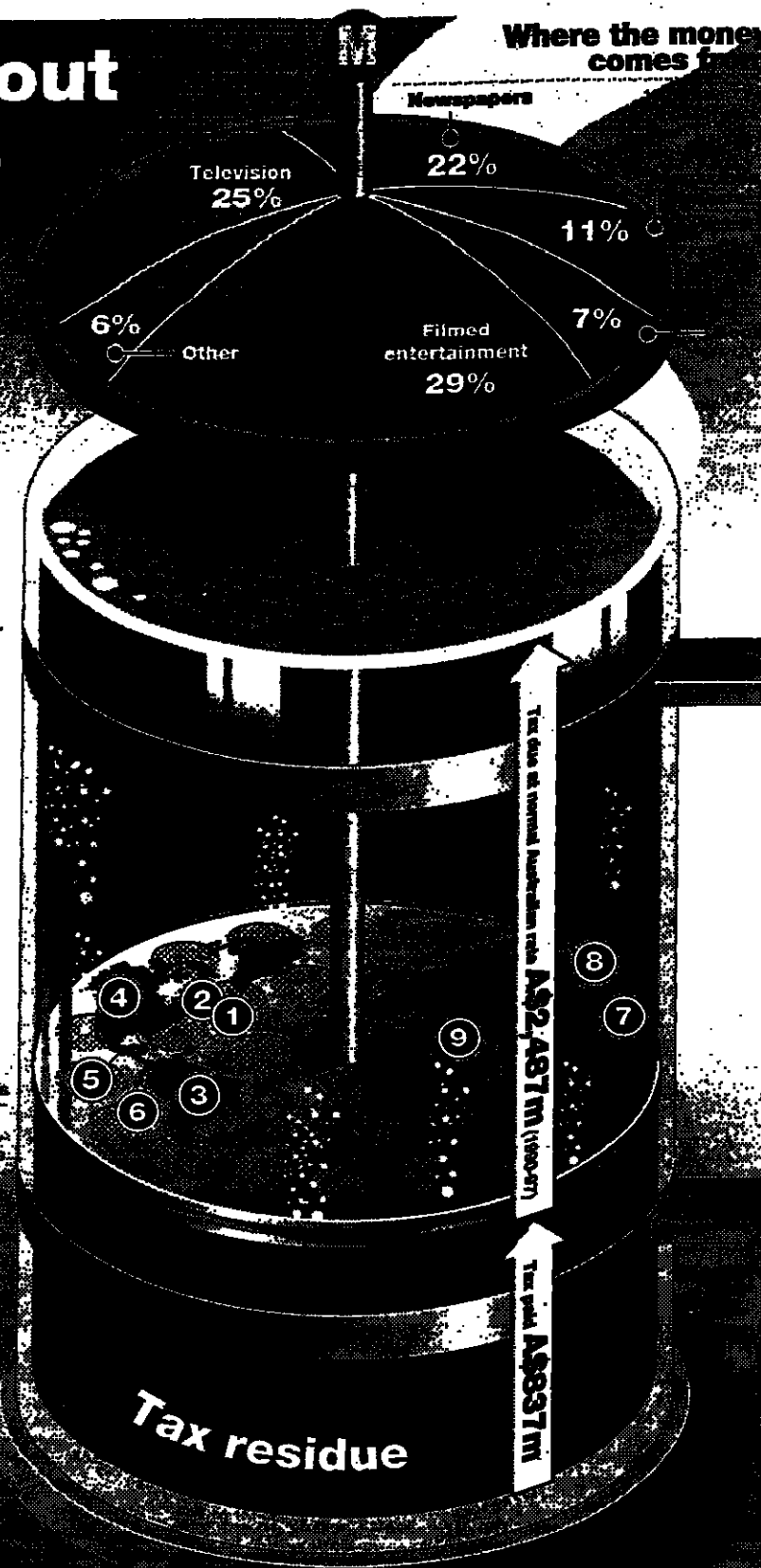


Planet Murdoch

According to its 1997 Financial Report, the News Corporation Limited controls some 780 "entities" incorporated in countries around the world. These range from Access Securities Pty Ltd of Australia to Zoo TV Ltd in the British Virgin Islands. The net assets of these companies at June 30 1997 amounted to Australian \$12.4 billion, with a net operating profit at A\$4.1 million. A number are parties to a "deed of cross guarantee" in Australia, which means they guarantee the debts of the others, and do not have to prepare and audit separate accounts.

These are some of News Corporation's lesser-known companies:

- Company Based in:
- Fruition Golf Ltd, Dimpled Investments Ltd, Agar Ltd, 1 British Virgin Islands
 - Rugged Ltd, 21 Edinburgh
 - News Corp Finance Pty, 21 Northwinds Avenue



tax laws around the world."

That statement glosses over the huge advantages enjoyed by multinationals, which have plenty of opportunities for shuffling profits to countries which levy little or no tax. Like other developed countries, Britain has legislated to stop companies simply building up profits in the Cayman Islands instead of at home. But there are legitimate ways in which such tax havens can be used — notably by revenues being directed there from cross-border transactions, or indeed from global deals which have no obvious commercial base in any particular tax zone.

Media companies enjoy particular advantages because of the intangible nature of their product. Manufactured products such as vehicles, food or missiles are easily valued for purposes of measuring where profits arise in a multinational group. But it is more difficult to challenge the value put on a movie or a piece of software if, for example, it is sold by a US parent to a subsidiary in Europe or the Far East.

The software owner will benefit by charging a low price from one arm in a high-tax country, resulting in more profits arising in another arm — which could be in a tax haven or a country where company taxes are much lower. Profits can also be shuffled around the globe in this way through judicial use of borrowings. The interest cost of loans is generally claimable against tax. It therefore makes sense for groups to arrange for their debts to arise in countries where tax rates are highest. It is no surprise, then, that News International — Murdoch's British arm — carries a heavy debt burden.

The most obvious way to cut taxes would also be regarded by most critics of Murdoch to be the most laudable. That is investment. One of the main reasons why News International's tax bills have been so low during the 1990s is the huge sums poured into the Sky satellite broadcasting operation. Initial losses on this and other new ventures offset the profits made elsewhere, thus cutting or even eliminating the taxable profits available for host governments.

In the Anglo-Saxon countries, tax authorities do not measure profits by the standard methods employed for company reporting purposes. For example, tax-depreciation rules are quite separate from the rules for depreciating equipment employed in drawing up published accounts. This can mean a company citing significantly higher profits for public reporting than for tax purposes — without bending the rules in either case.

If this is the case, it means that the tax posse assembled by the Australians has a smaller target to go for than it thinks. But even if that is the case, the broader structure of the international rules does need further attention if multinationals are not to decide just how much tax they will pay.

Graphics sources: News Corporation Ltd, 1997 Financial Report; Washington Post analysis on December 7, 1997. Graphics: Paddy Allen; Steve Villiers. Illustrations: Peter Clarke. Apologies to the Inland Revenue. Photographs: Martin Argles. Research: Mark Espiner. Roger Cowe and Lisa Buckingham write for the Guardian's financial pages. Additional reporting by Christopher Zahn.

How to handle the tax



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Lottery resignation adds urgency to government attempt to curb utility regulators

Watchdogs held at bay

Nicholas Barnister, Chief Business Correspondent

THE departure of Lottery regulator Peter Davis after his meeting with Culture Secretary Chris Smith raises a question about the fundamental tenet of the regulatory system — the independence of regulators.

Labour has never been happy with the power invested in the director-general of the various regulatory bodies and is looking to its review of utility regulation to clip their wings.

The results of the review are due to be published later this month. It is already clear that the interests of consumers will be well to the fore, probably with regulators' present primary responsibility to hold companies to a fixed rate of return being replaced with a duty to put customers first. Much less clear is how the structure of regulation will be changed.

Options range from a single body of regulators, widely seen as too cumbersome, to regulatory commissions or panels for each industry.

There is also pressure to merge a number of the regulatory bodies as industries become more interlinked.

Don Cruickshank, director-general of Ofwat, wants a radical overhaul of the way the communications industry is regulated. He has stopped short of supporting calls for a single body to regulate telecommunications and broadcasting — in essence a merged Ofcom and Independent Television Commission.

The Government is soon to publish a Green Paper on the

regulation of the communications industry, taking account of the convergence of telecoms and broadcasting. Draft legislation, expected next year, is unlikely to be enacted until 2000 or later.

There is a strong case for bringing regulation of the energy industry under one roof through a merger of the gas and electricity regulators.

There is widespread expectation that the review will open the way to vertical integration in the electricity industry, with the big privatised generators allowed to own distribution companies.

Some regulators have seen the way the wind is blowing. Mr Cruickshank at Ofwat, Stephen Littlechild at Ofgas, and more recently Ian Byatt



Unleashed... from the left, Clare Spottiswoode of Ofgas and Ian Byatt of Ofwat, who are for continuity of powers; Don Cruickshank of Ofwat, who wants a radical overhaul of the system

at Ofwat, have set up panels of advisers.

Some, Mr Byatt and Clare Spottiswoode of Ofgas, want to retain the present system, with regulatory powers vested in the individual director general. Others, like Mr Cruickshank, want an industry-specific regulatory commission.

Mr Byatt, once seen as the most lenient of the regulators, has been taking a much tougher approach to the water companies, warning them, for example, that he is prepared to claw back over-generous dividend payments.

The review is expected to recommend a more efficient system for appealing against regulators' decisions. At present the only options are a full Monopolies Commission investigation, or judicial review — long and costly procedures.

The Government wants the regulatory bodies, in what

ever form, to help rather than hinder the execution of social policy. Most of the utilities regulators would prefer to see the Government decide the social issues, and leave them to execute the policy.

However, as the law stands, the individual regulators are still responsible for carrying out their duties, as defined in the Acts under which they were appointed, in whatever manner they see fit, free from political interference.

In effect they can be sacked only for gross misbehaviour, not because a minister dislikes what they have done.

It is a fine line whether Mr Davis, the director general of Ofcom, jumped or was pushed. If he jumped just because the political flak was becoming too hot, he has not done his fellow regulators any favours in the battle to maintain their independence.

Simon Beavis Media Business Editor

Mobile phone radio auction draws warning

Simon Beavis Media Business Editor

THE Government's proposed £1 billion auction of radio spectrum for a new generation of mobile phones could become a speculator's paradise, a senior industry executive warned yesterday.

Tim Samples, the new managing director of One-2-One, said there was a danger that the proposed auction — planned to go ahead as early as this year — could attract buyers who were either not interested in or not able to use the frequencies to provide a proper service for consumers.

The fear is that some investors will buy spectrum purely to sell it on to telecoms companies when they are hit by capacity constraints. This would delay the introduction of new services and push up prices for phone users.

Urging the Government to take care in setting the rules of the auction and to establish other criteria for judging bids alongside price, he said: "It is more important to be right than it is to be quick." He said one solution could be to limit the auction to established mobile phone operators.

Mr Samples, the American businessman who joined One-2-One last autumn, said that the Government was keen to learn from the recent experience of an auction of spectrum by the US government.

One-2-One is already thought to have warned the Department of Trade and Industry and the Radio Communications Agency not to fall into the US trap of assessing bids purely on the basis of "highest price wins" only to find that a number of successful bidders subsequently failed to deliver.

In some cases, speculative bidders subsequently failed to roll out a network and saw their licences either lie dormant or get picked off by the industry's established players.

Only last week, the Government signalled its determination to press ahead with the sale when it appointed NM Rothschild, the merchant bank which advised the Conservatives on many of its most controversial privatisations, to act as adviser on the auction.

The bank has said it expects widespread international interest in the sale — expected to involve the auction of three licences. Observers are already speculating that big overseas telecoms companies like Deutsche Telekom and NTT Japan could enter the ring in competition with the UK's established players, including Vodafone, Cellnet and Orange.

Ministers are believed to be determined to crack on with the sale in a bid to ensure that Britain in particular and Europe in general remain in the driving seat for setting standards for a new generation of mobile communications. This is especially true at a time when developments promise a range of far more sophisticated multimedia services.

One-2-One, jointly owned by Cable & Wireless and US West, has yet to decide whether it will bid for a new tranche of spectrum since it has invested just under £1 billion in its existing digital network.

Amid growing speculation about the future ownership of One-2-One, Mr Samples scotched suggestions that there could be a short-term change in the ownership of the company.

News in brief

New delay for link-up

THE accountancy firms Ernst & Young and KPMG learned last night that their proposed merger is being referred to a second-stage investigation by the European Commission. The firms insisted that they remained confident that the four-month inquiry would approve their link-up. The Commission is also looking at the proposed merger of Price Waterhouse and Coopers & Lybrand. The mergers would cut the Big Six accountancy firms to four, and concern has been raised this would severely reduce competition.

Last tin mine set to close

HOPES of saving South Crofty, Britain's only remaining tin mine, are expected to be dashed today when the Government delivers its response to an application for funding of a £12 million rescue package.

Ministers and DTI officials have been trying to find ways of preserving the Cornish mine but are believed to have decided that the business is not viable.

The mine's Canadian owners — hit by falling tin prices — are expected to close it on March 6.

Lloyd's boost in US ruling

THE Lloyd's of London insurance market is claiming it has won a critical court case in the United States brought by investors still refusing to pay their losses. The ruling, made this week in San Francisco, said 223 investors, known as Names, could not fight Lloyd's in the US courts but would have to do so in England.

The case is held to be the most significant outstanding litigation in the US threatening Lloyd's. An appeal to the Supreme Court by the American Names Association is expected.

Reuters probe may widen

REUTERS Holdings, the British news and information company, yesterday acknowledged that an investigation into an American subsidiary could spread to its London headquarters.

The company disclosed last week that a grand jury in New York is investigating whether Reuters Analytics hired a third party to break into the computer system of rival Bloomberg. Reuters Holdings said it knew of no such attempt.



THE upheaval in the pharmaceutical world has found an echo in the streets of a Yorkshire tourist centre, writes Martin Wainwright. Britain's oldest pharmacy, whose three centuries of trade go back to the days of medicinal leeches, faces

permanent closure. "We just have two many chemists in a small town," said Stuart Newsome, who ceased trading at Ye Oldest Chemist Shoppe in England this week. Overlooking the limestone gorge at Knaresborough, near Harrogate,

the pharmacy had puzzled over several years the loss of 1720. A blood-letting couch, which powered people and mortar sit in the shop, whose customers included Lord Nelson.

The local chamber of trade is pressing for a small chemist's museum on one floor, with a pharmaceutical museum on the other. "It would be marvellous at least to keep up the 'oldest' claim," said Mr Newsome.

PHOTOGRAPH: DON MCFEE

Deal could take a year to clear hurdles

Drugs duo may be compelled to sell off some leading brands. Julia Finch reports

THE BIG MERGER

Glaxo
SB

THE proposed £100 billion mega-merger between SmithKline Beecham and Glaxo Wellcome could take a year to get the go-ahead from European and US regulators and the new drugs group is likely to be forced to sell some of its leading pharmaceutical brands, analysts warned yesterday.

The sheer scale of the intended link-up means it will automatically be referred to EU competition authorities and the US Federal Trade Commission. Recent experience suggests their investiga-

tions will be far from wiffy concluded.

When Swiss drugs groups Ciba and Sandoz merged last year to form Novartis, the competition authorities took nine months to agree, even though it was regarded as a straightforward merger with few competition concerns. The watchdogs are also into their seventh month of considering the proposed Roche/Corange link.

Analysts at brokers Dresdner Kleinwort Benson said: "We doubt Glaxo/SB can close before the end of this year." The longer the regulators' investigations go on, the more likely it is the deal will lose its shine.

In terms of the total market share for drugs, the proposed merger presents no problems. Although the enlarged group will be the world's biggest pharmaceutical entity — and one of the largest companies, ranking alongside Coca-Cola

and Microsoft — the £100 billion annual world drugs market is very fragmented.

Even with joint annual sales of £13 billion, the new Glaxo/SB would have just an 8 per cent share of the total market. But the authorities will have to study every medicinal area in which the two groups operate and consider the market share of each of their drugs in each area. And they will probably be forced to sell some of their directly competing brands.

When Glaxo merged with Wellcome in 1985, the link brought together two competing migraine drugs — Imigran and Zomig — which the authorities concluded would have given the enlarged company a monopolistic position in the market for such treatment. As a result, they forced Glaxo Wellcome to sell Zomig and it was snapped up by rival Zeneca.

The companies hope watch-

dogs will limit their attention to two areas — their herpes drugs and their competing treatments for the nausea experienced by patients undergoing chemotherapy.

In antivirals — which are used to treat herpes and shingles — Glaxo has Valtrex, with annual sales of £35 million, and Zovirax, which had sales of £300 million last year but is now off-patent in most major markets. SmithKline's competitor is Famvir, with sales of £75 million. The regulators are expected to order Famvir be sold.

The two companies also dominate the market for drugs used to treat vomiting caused by chemotherapy. Glaxo's Zofran has annual sales of £350 million while SB's Kytril takes in £240 million a year. Together they account for 90 per cent of that specialist market and one will undoubtedly have to be sold.

The watchdogs may also in-

sist on some antibiotic sales as SB has the global bestseller with Augmentin, which is likely to achieve sales of nearly £1 billion this year and Glaxo has a small portfolio of antibiotics with sales of some £700 million.

There is also a possibility that the competition authorities could force the companies to hand over some of the therapies still in the research stage. In the Sandoz/Ciba merger, the FTC demanded certain gene-therapy technologies and patents be sold, even though they were not ready for the market.

The FTC said that it had acted to protect innovation in the new technology, and it could do the same again with Glaxo/SB. Brokers Flemings reckon research the companies have underway into arthritis, irritable bowel syndrome, diabetes and migraine are all "possible areas of difficulty".

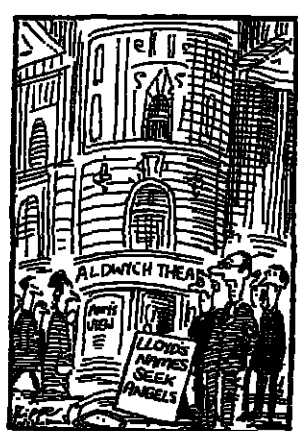
Underside

Dan Atkinson

US chief executive Mathis Caballavetta hasn't lost his sense of humour. Asking shareholders on Tuesday in Zurich to approve the reverse takeover by (sorry "merger with") Swiss Bank Corporation, he said the 13,000 job losses worldwide (3,000 in London) were "regrettable", but all redundancies would be handled "in a highly responsible manner". Indeed, the model developed to work out who gets the have-ho and who doesn't has been given the heart-warming title "Solidarity". Anyone have Lech Walesa's mobile-phone number?

ON the theme of merger mania, it's not all work, work, work at SmithKline Beecham, whose PR supremo, Lynne Smith was back on the case at daybreak on Saturday, having battled with the fall-out from the Friday night announcement of possible nuptials with Glaxo. But a key appointment at 11am could not be missed: the SmithKline netball team had a local league fixture with Hertfordshire rivals, the Ravens. Obviously, SmithKline lost the match by one point — but the result is going to be the netball society's higher authorities. The point was disputed, a goal possibly being netted after the final whistle.

PESKY Names have taken their persecution of that national



treasure, Lloyd's of London, westwards from the City. A contingent of 10 members who are being sued for heavy rhino by the insurance market arrived at the Aldwych Theatre last week for a performance of Amy's View. Imagine star Dame Judi Dench's surprise when the 10 began booing without warning. Has one of Britain's leading thespians lost the plot? Not at all, darling. It was simply that Lloyd's gets a mention in the play — the cue for cat-calling by the Sued Ones. Reassuring to know they can still afford a trip to the West End.

EASTWARD ho is City PR mogul Brian Braham, recently hired, we hear, by the Portuguese government to burnish the image of Europe's last colonial toe-hold in the Orient, the territory of Macao, due to be handed back to China next year. Brian will be helping promote New Macao, best known for its casinos, the Crazy Paris night-spot and Fernando's restaurant, as the sort of place where, er... we'll have to wait and see.

TOURIST RATES — BANK SELLS

Australia 2.358	France 9.722	Italy 2.892	Singapore 2.71
Austria 20.44	Germany 9.722	Malta 0.534	South Africa 7.90
Belgium 59.95	Greece 462.07	Netherlands 3.263	Spain 241.20
Canada 2.315	Hong Kong 12.38	New Zealand 2.73	Sweden 13.00
Cyprus 0.855	India 51.63	Norway 12.10	Switzerland 2.344
Denmark 11.14	Ireland 1.156	Portugal 236.33	Turkey 346.350
Finland 6.882	Israel 5.89	Saudi Arabia 6.08	USA 1.608

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sewgolum

also rum... and ride

Media to lead from the

ESPECIALLY TRACK
0891 222

Guardian

Singh carries the torch of Sewgolum

Never was this more disgracefully illustrated than at the club which this week hosts the South African Open, the Durban Country Club



only win 275,000 but enhance his position as one of the best golfers, alongside Colin Montgomerie, not to have won a major. He will also become the 14th player to win two or more Opens in South Africa and will be accorded all the honours. And if it is raining at the presentation ceremony, he will be assured, he will be allowed into the clubhouse.

Lingfield all-weather card

TOP FORM
Just Dissident
Palacegate Touch
Enkore
Scotland Bay
Brilliant Red
Sharbatardi

out inside turf track and only 11km round. No

(2:20), J. Berry, Lincs, 268 miles. **
) & Means Business (3:20).
 1:50 Kaitira. Visorad: 1:50 Junie; 4:20 Silver

days since last cutting, J.Jumps.	
5-8-11	Dean McKinnon 88
5-8-8	Marlin Dwyer 87
5-8-3	W. McWhorter 85
	S. McWhorter 85
	J. Fanning 89
	J. Quinn 72
	W. Ryan 71
10	B. Swenson 80
	W. Thomas 80
	Candy Morris 80
1-11-2 La Coyne, 7-7 Sauer The Trumpet, Orie	

-5-	W J O'Connor	88
-6-2	A Clark *	88
-9-1	E Lawrence (S) *	88
	March Dwyer	88
-9	S Sanders	88
-9-9	W Ryan	88
-9-2	Cammy Morris	88
	B Fivush	88
	F Fennay (S) *	88
	N Varley	88

James Rank, 7-1 Lancashire Legend, Supreme Thought, 8-1

STAKES

Quadruple Stakes 17

9-8	D Harrison	76
9-8	A Clark	—
9-8-6	Dino O'Neil	89
1	S Minshall	99
-1	C Butler	—

Classic, 6-1 Ml Novermind, 7-1 Shering, Snow And Ice.

Warren 9-13	T Siskel (?)	83
9-2	Dino O'Neil	89
	Deer Baiting	—
	S Drouin	—
	C Butler	—
	N Flinch	94
	P One (?)	94

Means Business, 12-1 Magic Morning, 16-1 First Deal.

S Sanders ★ 87
A Clark ● 90
R Stedman (7) 88

4-5-7	J Black	83
er 7-8-8	Dana O'Neale	82
	J Oaken	84
10	G Bardani	—

ct. 6-1 Dick Turpin, 7-1 Honeysuckle, 8-1 Kalinka, Sweet

	Candy Morris	78
	S Samuels	80
	S Drennon	—
	G Bardani	—
	G Matter	—
	R Pivnich	—

Trainers	Yr	Rate	%	Level \$
BR Remondet	19	177	10.7	-91.65
	20	172	10.2	-107.33

L. Moore	8	113	7.11	-46.43
P.F. Gale	6	67	63.6	-37.50
K. Ivory	5	37	13.5	+44.00
Lord Hamilton	5	37	73.5	-1.50
C.A. Dwyer	4	19	21.1	+1.00

— Townes: 1.40 Golden Lily, Miss Gay Kelleway to
 —: 3.10 Lanthall Thistle, J.L. Needham to J.R. Hughes;

2.30 Serenade, M Haynes to P Spottiswood & Sky to Miss Sandra Forster; Ensign Escort, G Storey to Mrs Beaumont Laid, J Comfort to Mrs S Comfort.
Jewell, 2.50 Silvering, Mrs J R Remarden to R M H

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971).

Aspell's racing return in doubt, page 13

England confront Trinidad ghosts, page 15

Tottenham crash out of the Cup, page 14

Twickenham seek peace on Europe, page 15

SportsGuardian

Stevenage bow out at St James' Park

FA cup, fourth-round replay: Newcastle United 2, Stevenage Borough 1

Shearer ends the dream

Michael Walker

ON A night when the romance of the FA Cup was replaced by malice, Newcastle gained what they wanted: revenge. But it was far from easy and Kenny Dalglish's team did not deliver the part-timers of Stevenage Borough a lesson.

It took two goals by Alan Shearer, in the 16th and 68th minutes, to beat the side from the Vauxhall Conference, who set up a fascinating finish when Gary Crawshaw scored with a sweet volley in the 74th minute. It was well merited.

The depth of hostility generated by Stevenage's claims and Newcastle's counter-claims was revealed just before kick-off. Having run to the centre-circle to offer conciliatory applause Stevenage players were booed by the biggest crowd they have encountered.

The visitors were not intimidated by it. Even without the man who earned them the replay, Giuliano Grazioli, Borough began with three forwards. They saw enough of the ball early for Neil Trebble to embarrass Steve Howie, and for Stuart Beever to worry Shaka Hislop with a 20-yard shot.

But Newcastle had also gone close early, Philippe Albert hitting the side-netting after two minutes, and their immediate response to Beever's effort was Shearer's opening goal.

After a quick free-kick by Rob Lee, Alessandro Pistone crossed deep from the left, where Shearer had peeled off his marker. The England centre-forward headed down powerfully beyond Des Gallagher but Mark Smith made a valiant goal-line clearance and it was the linesman rather than the referee who ruled it a goal. It must have been a close call, but there were no complaints from Smith or Gallagher.



Down to earth... Mark Smith tries desperately and in vain, according to the linesman, to keep out Alan Shearer's first goal. PHOTOGRAPH: ROSS KINNARD

Thereafter, though, Stevenage kept their shape and composure and before half-time Newcastle were restricted to long-range shooting from Lee, David Batty and Howie. All these efforts flew wide.

A minute before the break Dean Wordsworth struck a low drive from 20 yards that was watched anxiously by Hislop as it dribbled past his

right-hand post. The key for Newcastle, if they were going to emphasise their alleged superiority, was the involvement of Keith Gillespie. The winger had plenty of first-half possession but often lacked an outlet. Yet within a minute of the re-start his crossing provided Newcastle with two useful chances.

The first fell to Jon Dahl

Thomasson — included because the £3 million signing Andreas Andersson was Cup-tied — but his half-volley sailed over. The second, a free-kick, was met by Shearer but his header landed softly in Gallagher's grasp.

A few minutes later Shearer had a powerful, curling free-kick acrobatically turned away by Gallagher.

A poor header by Stuart Pearce gave Gary Crawshaw a glimpse of glory until Hislop shut the door, and Albert frequently resorted to niggly fouls to stop the nippy forward.

An hour passed before Shearer got his second, stooping to nod in Lee's chip from three yards. Yet Stevenage refused to collapse and 16 minutes from the end Crawshaw

punished Albert's slackness and volleyed in a centre from the substitute Niall Inman. It was no less than they deserved.

Newcastle United (4-3-3) Nicky Watson (Baron, 25min), Howie (Berrisford, 80), Albert, Pearce, Lee, Batty, Gillespie, Thomasson (Kassou, 70), Shearer. Stevenage Borough (4-3-3) Gallagher, Dillnutt, Smith, Iron, March, Beever, Perkins (Penton, 70), Sapieha (Roman, 35), Wordsworth (Thompson, 72), Crawshaw, Trebble. Referee: P. Jones (Loughborough).

Winter draws on for the shivery Sumo wrestlers



Frank Keating

IT ALL depends which way you look at it. Will British media overkill during the next couple of weeks be ludicrously OTT in relation to the general public's total lack of interest? Or will the media's blinkered and parochial insularity yet again be a slight to a cosmopolitan and sophisticated sports audience seeking for news from the slopes and ice-rinks of far-away Nagano? Take your pick.

If newspapers have not, then certainly BBC TV seems to have thrown money at the Winter Olympics in Japan. Pounded upon pound for hour upon hour. Is it a last throw for Auntie as its cast of unknown Olympians with strange-sounding names slide and sledge interminably on until this Sunday fortnight? Sky in that time will show, exclusively live, both back-to-back England Test matches in Trinidad, live back-to-back Premiership and FA Cup matches, Glenn Hodges's England v Chile, and live England rugby against France and Wales.

Still, BBC has got that racy Ski Sunday tune. And doubtless it will have a few good-for-a-laugh — Oops! Look! Ha ha, that poor Swedish bloke in yellow is sliding down the mountain on his backside — tumbles to show as passing diversions before the nation surfs the other channels.

The BBC as well as Barry Davies, poor fellow, who launches himself at his particular and unconquerable mountain slog for 16 days when he begins by describing the opening ceremony tomorrow night and Saturday morning... and describing and describing. It is going to be a long one for our Bazza all right.

Olympic opening ceremonies at the Winter Games are even more frightful than their summer counterparts. The forced smiles really have frozen to the faces of the marching armies of competitors. For, baby, it's cold out there. Don't bother staying up for it, take it from me that three-quarters of the teeth-chattering teams on parade will be swaddled in horse blankets to make them look like mountain terrorists trooping the colour. For unsuitable recognition, a difference will be that the Canadians will wear Mounties' scout hats, the Americans will doff stetsons and the Russians those big, round, fake-fur

hats. The Norwegians will look like great bulbous Puffa-jacketed Michella men, the Japanese ditto-dimnitive.

If previous uniforms are anything to go by, the Brits will be gloved, muffled and duffled like chilled beekeepers and will look beaten from the start; which, it goes without saying, they are. It is the way of the world, for not for nothing in my distant youth was I a sub-editor on these pages, when a winter chore was collating the results as they chattered in from the snowbound continent.

Downhillers and tobogganists and slalom operatives with unpronounceable names would be put in 1-2-3 order, and then I'd have to hang about for an age (before I could go out on my own particular piste at the Blue Lion) till the news tiredly flopped down the Reuters wires: British placing 83rd, FBH Arseover (Glos Artificial Slope) or whoever.

My first Winter O's opening ceremony was at Grenoble in 1968. Everyone marched in on the carpeted outdoor ice-rink. President de Gaulle did the honours, a helicopter scattered a few baskets of roses and, er, that was it. Watch out on Saturday for something different — and interminably more tedious — from Nagano.

The Japanese will want to outdo last time's Lillehammer, where the opening ceremony featured an unremitting Norwegian pageant of trolls and goblins and mountain mutants. I hear that the Japanese centre-piece — or rather the centre-piece at the end of Act 1 — will be a parade of inclothed Sumo wrestlers. At 10 degrees, talk about brass monkeys.

AT GRENOBLE, and thereafter each four years as if we hawks were penitents absolving our sins, the hearties in anoraks would wake you pre-dawn and drive you in buses up precipitous snow-banked mountain paths to watch the start at altitude of some God-forsaken downhill slalom heat. Then drive us, sliding, down again to find out who'd won the damn thing. Freezing p-p-purgatory.

Mercifully the Brits then threw up some skaters — Curry, Cousins and two old T & D — so we of the teeth-chattering class and keepers of the log could sit looking knowledgeable at ringside, indoors and in comparative warmth. I'll think fondly this fortnight of the small Brit contingent of scribbling mates who have drawn the short straw this time.

They say we (that is to say, the Scots) might get a bronze in the curling, that weird bowls-on-ice-while-frantically-doing-the-housework. For my friends' sakes, at Nagano I hope they play the curling indoors.

Yates faces long wait for verdict

Robert Kitson

KEVIN YATES continues to await a verdict in the saga of Simon Fenn's ear as the Rugby Football Union inquiry into the allegation of ear-biting drags on.

Last night the three-man RFU panel, which spent 12 hours listening to evidence on Tuesday, was still sifting through testimonies.

The RFU investigating team, chaired by Michael Burton QC, heard further evidence after reconvening at 5.00pm in central London and there are suggestions it may take until next week for any verdict to be announced.

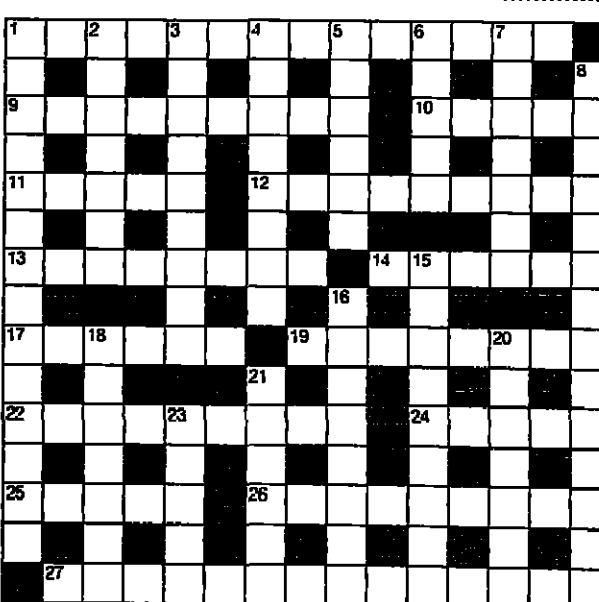
Yates has consistently pleaded his innocence of the ear-biting charge, while London Scottish have demanded that whoever was responsible for injuring their player during a Telford's Bitter cup-tie at the Recreation Ground last month should be banned for at least 12 months.

Fenn, an Australian flanker, needed more than 55 stitches. He described the attack as "barbaric".

Rugby union, page 15

Guardian Crossword No 21,190

Set by Araucaria



Across

- 1 Moderately good melody with cat interrupting its playing (4,2,8)
- 9 Artist is in shock: assessment required (9)
- 10 A heater? Two, joining at the centre (5)
- 11 Rendering of the "hallo" suggests goodbye (5)
- 12 Anti-monarchist action on 25 18 (9)
- 13 Letter reaches the border on time: won't last long (8)
- 14 Sudden attack unfinished: he's happy (6)

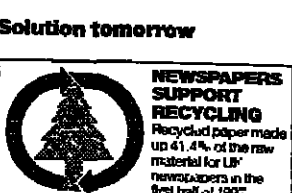
Down

- 17 Pointed growth on head in some types (6)
- 19 11 piece of horsemanship during ablutions (8)
- 22 A person, then? Acknowledgment's optional (3,1,5)
- 24 This is always part of the fibre (5)
- 25 Uncommon generous? (6)
- 26 Square for action on 21 18 (9)
- 27 Hobnobbing for a tanner: is it possible? (14)

- 2 Change British constituencies have since 1948 (7)
- 3 He deals with winds on an island (9)
- 4 Slaughter of a lot of people with some land (8)
- 5 Sweet girl I clued wrongly (6)
- 6 Words for the seriously rich (5)
- 7 Agree to nothing but change of course (2,5)
- 8 Supposedly dumb actors on sufferance? (6,8)
- 15 Climber holds French agreements to purchase (9)
- 16 Live Hitlerite outside Ghana in Libya (8)
- 18 Person in charge to be right for the tenth time? (7)
- 20 Fool, say, with excellent weapon (7)
- 21 Bearing a grudge at beer... (6)
- 23 ... for the Council at Burton? (5)

CROSSWORD SOLUTION 21,189

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